A U.S. DEPARTMENT OF COMMERCE WEEKLY

International Commerce

September 18, 1967

HOW TO GET EXPORT FINANCING INSURANCE & GUARANTEES

International Trade Winds Newsletter

Company News

ARCHITECTURAL SERVICES—Victor Gruen International, a branch of Victor Gruen Associates, Washington, D.C., has opened a new office in Vienna to serve architects and engineers in European countries. Gruen is active in the fields of city planning, regional planning, architectural design for shopping centers, housing developments, and department stores, transportation planning, and tourism development. Gruen has four U.S. offices and one other foreign office, in Tehran.

BUSINESS SERVICES—A new Australian organization to be known as International Technical Services, Ltd., has been formed by Battelle Memorial Institute, Columbus, Ohio, the Australian Mineral Industries Research Association, and the Australian Mineral Development Laboratories. The new organization will provide technical and technico-economic services to industry, government, financial institutions, and other groups. Mining, minerals, and metallurgy will be among the fields of emphasis.

ENGINEERING—A contract for design and engineering of what will be Japan's largest ethylbenzene-styrene plant has been awarded by Sumitomo Chemical Co., Osaka, to The Badger Co., Inc., Cambridge, Mass., international designers, engineers, and constructors. Badger will also handle the start-up and provide technical assistance for the new facility, valued at more than $5 million. The plant will utilize a process for styrene monomer developed jointly by Union Carbide Corp., Cosden Oil and Chemical Co., and Badger.

COMMUNICATIONS—General Telephone & Electronics International, Inc., a subsidiary of General Telephone & Electronics, Corp., New York, has announced receipt of a $4.3 million contract to construct a microwave communications system for telephone calls and television transmission in northeastern Mexico. The 475-mile system is scheduled for completion in time to carry television coverage of the 1968 Olympic Games in Mexico City.

First trade mission from another U.S. State is now in Europe. This time Pennsylvania is breaking into such export expansion activity, with a mission led by Gov. Shafer. Pennsylvania has picked electronic instruments and instrumentation as the sales subject, and has chosen London, Stockholm, Frankfurt, Milan and Madrid as interview stops for the 11-man state delegation.

How much effect will the Kennedy Round tariff cuts actually have on world trade? Depends now on how vigorously businessmen respond to new opportunities, in the view of First National City Bank. The bank calls the Kennedy Round "truly a success," since "tariffs will be reduced on a much larger proportion of dutiable world trade than in previous rounds, and the average cut will be as deep or deeper." The really important result in the U.S. business community, comments Citibank, will come when a feeling of assurance grows that tariffs are on a permanent downward path and will not bounce upward again.

Just a word to our New York area readers about the practical course in international trade to be offered in eight weekly sessions beginning Oct. 2 by the International Executives Assn., at the Chemists' Club. To other readers: chances are that your city is doing something similar this fall or winter. Check the U.S. Department of Commerce Field Office nearest you, and watch our Calendar for International Traders.

A ship run by a computer? More than that. Moore-McCormack Lines has been feeding the whole operation of its American Republics Line into an IBM model for the past eight months. Having learned much about evaluation of various alternative ways of running that line, it is now going ahead on a new "cargo service" IBM model capable of matching bulk and containerized cargoes with the services of three Mooremack lines.

Promotion of U.S. foreign business interests by overseas U.S. Trade Centers often means "seeding" activities throughout whole countries. This summer in Italy, for example, U.S. Commercial Officers and Trade Center officials from Milan went to Verona to help get an American Chamber of Commerce representative appointed there and to arrange a visit by Veronese businessmen to a Trade Center show. Parma, Italy, is next on the schedule for this kind of activity.

NOTICE: This information is offered to preview or provide informally brief and varied comment on Bureau of International Commerce worldwide export and investment promotions. It is not final and does not substitute for the detailed know-how and analysis in our regular news columns.

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the cover

Extended credit terms—more and more important in today's export competition—can put a major strain on the working capital of the smaller exporter. In his interest a system of export credit insurance and guarantees has been provided, as described in an article that begins on Page 2. This explanation of the Eximbank—Foreign Credit Insurance Association programs is accompanied by a quick-reference table offering specific information on particular situations.

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Export credit protection vital in competitive era

Foreign Credit Insurance Assn., Eximbank programs meet increasing acceptance

By DALLAS M. COORS

International Finance Division,
Office of Commercial and Financial Policy, BIC

Today more than ever this question faces U.S. exporters: are they finding it increasingly difficult to sell in traditional markets or to expand sales into new markets because competing sellers in foreign countries are offering better terms? And to manufacturers selling only in the United States, have they been considering overseas markets only to be deterred by the apparent financial and political risks involved in such trade?

An official of the Export-Import Bank of Washington (Eximbank) has stated the problem confronting today's present and potential exporter. "Success in today's more highly competitive export market places greater emphasis on the availability of credit than has been the case in the past. Exporters who previously were able to sell for cash with order or on a confirmed irrevocable letter of credit basis now find their foreign customer demanding the right to purchase on terms which may run from cash on arrival of documents or of goods to time drafts, open account, or instalment payments spread over a number of years."

It has not been unusual for large corporations to be able to adjust to these competitive credit terms and even carry their own export paper. Nevertheless, many of the largest corporations are availing themselves, and profitably, of insurance protection. Extended credit terms can especially, however, put a strain on the working capital of the smaller exporter, and it is essentially for him that credit insurance and guarantees have been made possible.

Since February 1962, the U.S. Government, through the Eximbank, and in cooperation with the country's commercial banks and insurance industry, has been providing protection for the exporter against the various commercial and political risks inherent in overseas trade.

Export credit insurance as we know it today is relatively new in the United States; although the Eximbank had been offering a system of export guarantees to commercial banks. In February, 1961, in a message to the Congress, President Kennedy directed the Eximbank to devise a new program that would place U.S. exporters on a basis of equality with their foreign competitors and to seek a way whereby private financial institutions could participate.

The result of this directive was the establishment of a "partnership" between the Eximbank and private insurance companies to provide protection to American exporters against commercial credit and political risks when they are obliged to sell on extended terms. This is an example of successful constructive cooperation between government and private enterprise to assist America's businessmen.

In October, 1961, the Foreign Credit Insurance Association was established and today comprises an association of about 60 of the country's leading stock and mutual insurance companies. FCIA is also backed up by the resources and experience of the Eximbank. This is the U.S. Government agency that underwrites all of the political risks and a part of the commercial risks of the policies issued by FCIA.

Though slow to be accepted by our country's exporters, an appreciation of the value of this program has become evident. In fiscal year 1967 close to $700 million in exports were declared by FCIA policyholders. Some policyholders, perhaps about half of them, had never exported before the availability of this protection; others have reported an increase in export sales of 50 to 100%.

The chart on page 6 describes in detail the various insurance programs which are available; insurance protection through FCIA, and guarantees through Eximbank. It may be helpful, however, to emphasize a few of the advantages of each policy.

FCIA policies

1. **SHORT-TERM INSURANCE** (up to 180 days). This policy is issued to the exporter. He may insure only against political risks, retaining commercial risks for his own account, or he may take out a comprehensive policy protecting him against both commercial and political risks.

In obtaining this insurance the shipper takes out what is known as a "whole turnover policy" where he agrees, except for specified exceptions to insure all of his eligible short-term export credit sales. Like any type of insurance, the insurer, in this case FCIA, expects a reasonable spread of risk in order to be able to offer a reasonable premium.

FCIA may permit exclusion of sales to certain major buyers or countries, or allow coverage to be confined to sales of certain product lines, and these exceptions to the "whole turnover policy" can be negotiated.

When the policy is issued FCIA will, on request of the exporter, assign a *discretionary limit* for each of the exporter's customers within which the exporter may extend credit without prior approval of FCIA. Whenever an exporter has one or more large customers or occasional outsize shipments which exceed the established discretionary limit, FCIA will, upon application, grant a "Special Buyer Limit."

Additional coverage

An exporter may obtain additional coverage over and above the basic policy terms by means of an endorsement and extra premium. This includes coverage during the period of manufacture or assembly of the merchandise (the basic policy applies only from the time of shipment), or coverage of merchandise on

consignment or sales from warehoused stock abroad.

Other aspects of the short-term policy of special interest to potential exporters:

► A particular advantage of this short-term insurance is the ability of the insured to assign the policy proceeds to his bank. This added protection very often will encourage a bank to provide a larger line of credit or to assist an exporter with his export financing where the transaction might not otherwise be bankable.

► Eligible policyholders include U.S. firms and individuals and also foreign entities doing business in the United States. They may be manufacturers, exporters or combination export managers.

► Credit terms must conform to those generally used in international trade for the particular product shipped.

► An advance deposit (later returnable) —10% of expected annual premium—is paid when the policy is taken out; regular premiums are payable with declarations of shipments made by the 15th of each month, covering shipments of the preceding month.

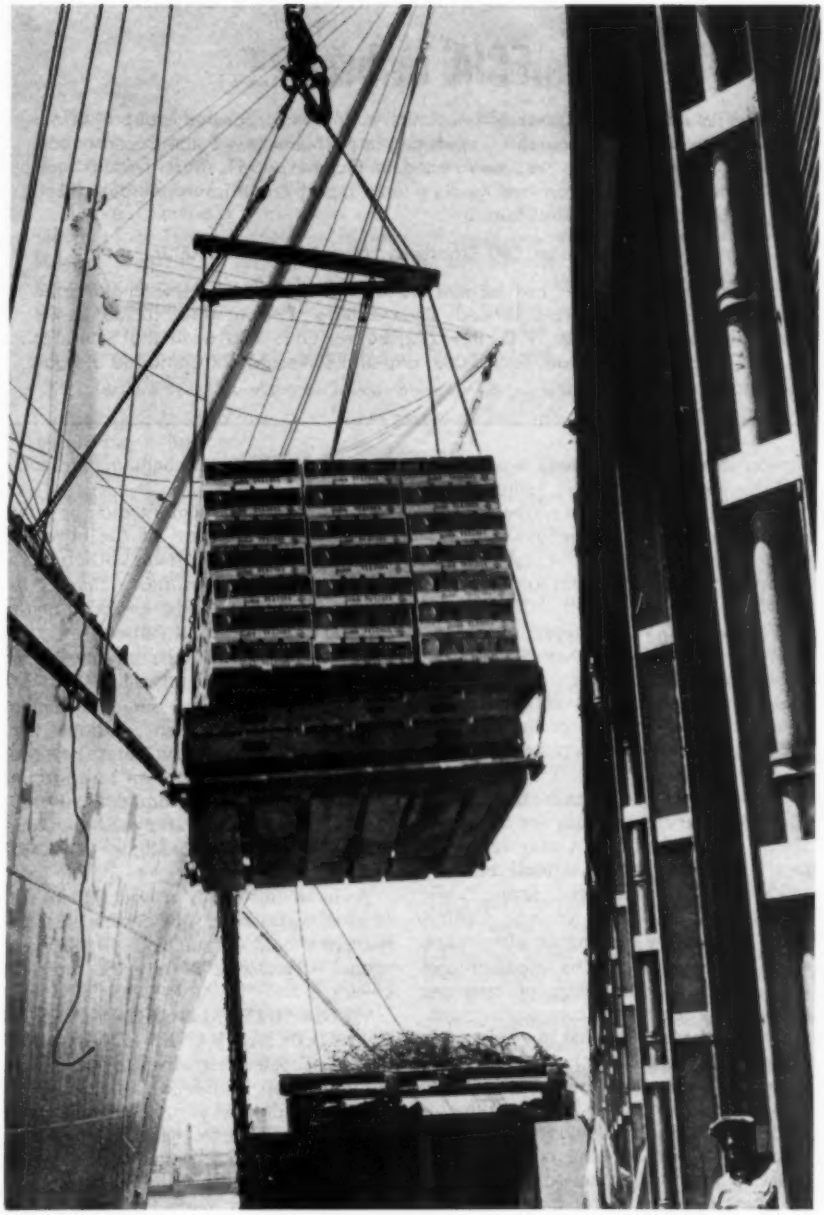
► The premium varies according to the terms extended and the market to which the merchandise is being shipped.

For the short-term comprehensive policy, for example, the average premium rate is less than 50 cents per $100 of gross invoice value, based on a reasonable spread of country markets. Special limitations apply to certain higher risk markets.

Gross invoice value includes price, insurance, freight, and other charges.

► A policyholder may file claim for loss directly with FCIA or through his insurance broker or local representative of a member company of FCIA.

► Commercial credit loss claims are payable upon submission of proof of the buyer's insolvency or of his failure, within six months after the due date, to pay for goods delivered and accepted. Political loss claims are payable within three months after evidence is submitted of a loss due to a named political event.



2. **MEDIUM-TERM INSURANCE** (180 days to 5 years). This policy, unlike the short-term policy is written on a case-by-case basis. It protects exporters against nonpayment of installments and interest due on credit sales of capital goods or durable consumer goods where longer payment terms are the usual custom of the trade.

Normally these policies are written as a comprehensive policy, to include both commercial and political risk, but the exporter may, if he wishes, cover only the political risk, retaining the commercial risk for his own account.

Medium-term policies require that the buyer make a cash payment at the outset (with the order or by the time of delivery), usually about 20% of the invoice value. It is also expected that the exporter will retain for his own account and risk throughout the life of the credit at least 10% of the financed portion (that portion remaining after the customer's down payment). These conditions are influenced by country risk and varying market conditions.

Medium-term policy rates are set per $100 of "financed portion," i.e., principal amount due over and above buyer's down payment, and the coverage includes interest up to 6% per annum.

Other terms of particular interest to the exporter:

► Each sales contract is the basis for a separate policy and is quoted separately.

► Premium rates vary with the repayment schedule and the country to which the shipment is made.

► Interest rates on the transaction are negotiated by the buyer and the exporter. FCIA does not limit the interest charged the importer but will insure only that

FCIA in brief

The Foreign Credit Insurance Association is an unincorporated group of about 60 private insurance companies, operating in partnership with the Export-Import Bank of Washington. It was established in October, 1961. During fiscal year 1967 the amount of short and medium-term export credit insurance authorized by FCIA reached $690 million.

FCIA headquarters is at 250 Broadway, New York, N.Y. 10007.

Representative offices are located across the country: in New England, at Room 510, John Fitzgerald Kennedy Federal Bldg., Boston, Mass. 02203; in the Midwest, at 85 Front St., P.O. Box 272, Berea, Ohio 44016; in the South, at 1520 Texas Ave., Houston, Tex. 77002, and in the West, at 24 California St., San Francisco, Calif. 94111.

portion that does not exceed 6 percent.

► Coverage on the basic policy starts from date of shipment, but insurance may be obtained to cover the period of manufacture (pre-shipment coverage) by an endorsement and payment of an additional premium.

► The policy does not apply to any loss with respect to which a dispute exists between the insured and the buyer until the loss is determined to be a valid and legally enforceable indebtedness of the buyer or until the dispute is otherwise settled to the satisfaction of FCIA.

► In some instances, when the buyer lacks adequate financial strength for the transaction in question, FCIA may require a local guarantor such as a local bank or an acceptable commercial firm. Public buyers generally must arrange Central Bank or Ministry of Finance guarantees.

► Policy assignable. The medium-term policy carries the privilege of assigning the policy proceeds to a commercial bank. Exporters should note that this frequently can be done whether the bank finances the transaction with or without recourse to the exporter, and once again the protection afforded by the insurance serves as a strong stimulant to the banking community to assist in export transactions that might not otherwise qualify for bank financing.

Protection against what risks?

The chart on page 6 indicates the types of protection available under these policies but let's call attention to a few of the more important points.

1. Insolvency of the buyer; or failure to pay the insured within 6 months of the due date of the obligation.

2. Transfer risk; inability to convert the buyer's local currency deposited in payment of the obligation into U.S. dollars.

3. Cancellation or non-renewal of export license prior to shipment.

4. War, civil war, rebellion, civil commotion.

5. Expropriation, confiscation or intervention in the business of the buyer or guarantor by a government authority.

6. Transport or insurance charges incurred after shipment by diversion of the carrier, due to political causes.

7. Cancellation of the import license prior to arrival of merchandise.

8. Also available by an endorsement to the policy and for an additional premium are: preshipment contracts, providing coverage from date of execution of contract rather than from date of shipment; protection for consigned merchandise and sales from consigned stocks or overseas warehouses.

As in any insurance program, there will be risks which cannot be covered. Policyholders should consult with FCIA or its agents to understand fully the limits of coverage.

MEDIUM-TERM GUARANTEES TO COMMERCIAL BANKS (180 days to 5 years). As an alternative to the FCIA medium-term insurance policy, an exporter may obtain assistance for his credit sales abroad through guarantees issued by Eximbank to U.S. commercial banks. Eximbank offers this unique protection only when banks agree to finance medium-term export sales without recourse to the exporter.

This Eximbank program serves the same basic purpose as FCIA medium-term comprehensive insurance and in general its cost to the exporter is about the same. Its approach, however, is different.

In the FCIA programs an exporter obtains the insurance and follows through with the necessary paperwork. If he desires financing, he assigns the proceeds of the insurance policy to his bank. In the guarantee program, the commercial bank is the prime mover seeking a guarantee for a credit it is willing to extend for an exporter. The commercial bank is responsible for satisfying itself regarding the soundness of the transaction, making the necessary credit judgment, preparing and submitting the application for the Eximbank guarantee and following through with the necessary paperwork.

As the commercial bank carries part of the commercial risk under such a guarantee, some banks which are relatively inexperienced in foreign trade transactions may not be willing or able to handle Eximbank guarantees. Also, a bank's outstanding commitments and judgment of the risks involved are factors in its decision to take on additional guarantee business.

Nevertheless, in the past year some 90 commercial banks or financial institutions —including most of the large banks with experienced international departments in major commercial cities—participated in this program. In all, Eximbank authorized guarantees covering nearly $200 million of export obligations in fiscal year 1967. The facilities of these banks may be available to exporters in other locations as well, since many of them have correspondent relationships with banks which are distant from the major commercial centers.

Sizeable transactions

Although the Eximbank guarantee program is by no means confined to large transactions, many of these guarantees cover sizeable transactions. Some commercial banks prefer not to request Eximbank guarantees for the small medium-term transactions, recommending insurance coverage instead. On the other hand, banks familiar with the guarantee program and willing to take the additional risk, often utilize guarantees rather than FCIA insurance for many transactions, particularly since the collateral advantages to the bank may be greater than when it is assigned an FCIA policy.

Under the guarantee program the commercial bank is required to provide financing to the exporter usually for 90% of the credit on a non-recourse basis. The bank takes the commercial risk on the early maturities for its own account and Eximbank guarantees the commercial risk on the later maturities. Eximbank guarantees against political risks for the entire term of the loan.

As under FCIA insurance, the buyer provides a cash payment—generally 20% of the invoice value—and the exporter retains at least 10% of the remainder, that is, the portion to be financed. The remaining portion of the invoice value is financed by the commercial bank, with

Eximbank guaranteeing to the bank payments of principal and interest on the export paper. Eximbank guarantees are limited to 90% of the financed portion with interest covered up to 6%.

Delays minimized

The exporter deals only with the commercial bank, leaving the negotiations with Eximbank to the commercial bank. In many instances—where the transaction conforms with the normal trade pattern for the equipment, the exporter is a regular customer of the bank, the market is fairly good, and the buyer's creditworthiness is satisfactory—the commercial bank can quickly approve a transaction, usually within a few days. This is particularly true now that the commercial banks participating with Eximbank in this program have the discretionary authority to approve—without prior consultation with Eximbank—certain transactions up to $1 million in the better world markets. (NOTE: FCIA has long held a similar authority up to $600,000 to expedite issuance of its policies.)

Advance commitment offered

As with FCIA insurance, Eximbank guarantees may be for sales for which orders have been obtained or are being negotiated, or they may be provided as advance commitments to meet bid invitations. Also, as with FCIA insurance, guarantees may cover a revolving line of credit instead of the usual single transaction; this is particularly useful for exporters making regular shipments to agents or representatives. Local bank guarantees are not generally necessary but if the financial position of the buyer is "weak" they may be required.

Programs stimulate exports

Assistance under these insurance and guarantee programs is part of the Government's overall effort to increase exports. Through use of these facilities the exporter is provided with a climate of greater security. This enables him to expand his business by offering greater amounts of credit to his present customers, by taking on new buyers and by breaking into new markets.

As the U.S. insurance and guarantee system continues to grow, new improvements can be expected. Efforts are being made to keep costs low, consistent with sound, self-sustaining operations.

Credit insurance defined

What is credit insurance? Credit insurance per se is a branch of casualty insurance. It protects manufacturers, agents, other suppliers as well as banks and other financial institutions against possible nonpayment losses that may result from granting credit terms to buyers abroad. It does not cover physical damage to products shipped or any risk for which coverage is available through marine, fire or other form of insurance.

Credit insurance is never based on the premise that the seller can grant credit without exercising normal prudence and business judgment. Nor should it substitute for the seller's own credit department. It does, however, protect against those losses which may be beyond the control of the exporter. These would include not only the insolvency or protracted default of the buyer, but also political and economic contingencies beyond the control of the seller or buyer.

This protection should greatly increase the ability of the exporter to arrange bank financing of the transaction should he wish to do so.

Credit insurance not new

Credit insurance is not new. History records that a credit insurance company was organized in England in the early 18th century. German traders have benefitted from such a government program since 1917, and traders in England since 1918. Today some thirty countries provide export credit insurance and this protection for exporters has markedly contributed to the increased export trade of those countries; an increase that has benefitted the earnings of local companies as well as the balance of payments of these countries.

Traders benefit

Competition in other countries is actively seeking new markets and credit insurance being provided them is giving them the added means to be competitive. Traders in the United States are now offered insurance and guarantee programs second to none. Exporters are urged to learn more of this program, to find out how it can help to develop and expand overseas markets.

To do so, they may either contact the regional offices of the FCIA in San Francisco, Boston, Cleveland and Houston, or its home office in New York City. Or contact the nearest branch office of one of the many associated insurance companies who are participating in FCIA, the international banking department of the exporter's bank or the nearest Department of Commerce Field Office.

Increased use of the short term or medium term FCIA protection or the medium term guarantee program of the Eximbank will not only give exporters the protection needed in developing overseas markets, but the expansion of U.S. exports through their eflorts will make a marked contribution to the improvement of the country's balance of payments.

Eximbank in brief

The Export-Import Bank of Washington is an independent agency of the Federal Government originally established in 1934, now operating under the Export-Import Bank Act of 1945, as amended. It is located at 811 Vermont Ave., N.W., Washington, D.C. 20571.

In 1961 Eximbank was given the directive to devise a new program that would place U.S. exporters on a basis of credit protection equality with their foreign competitors. As a result came the establishment of the Foreign Credit Insurance Association descibed on these pages. Eximbank is the agency that underwrites all of the political risks and in certain instances a part of the commercial risks of the policies issued by FCIA. And it has its own export credit guarantee program. Some highlights of this program:

- Medium term guarantees to commercial banks are unique.
- Only in the U.S. are guarantees available to banks financing exporters on non-recourse basis.
- Eximbank relies heavily on credit judgment of commercial banks.
- Banks must assume for their own account commercial risks on earlier maturities.
- Guarantees thus cover political risks on earlier maturities and both political and commercial risks on later maturities.
- Eximbank guarantees are useful to exporters requiring bank financing.
- An increasing number of banks find Eximbank guarantees valuable stimulant to export financing. In fiscal year 1967 Eximbank authorized guarantees covering nearly $200 million of export obligations.

U.S. Credit Insurance

Program.	Short-term insurance (up to 180 days)	
Type of coverage.	**Comprehensive (political and commercial) coverage**	**Political coverage alone**
Purpose.	To enable exporters to extend credit by covering most of their risks through insurance, and enhancement thereby of their potential capacity to borrow from banks and other financial institutions, through assignment of the proceeds of the policy.	To enable exporters to extend credit by covering most of the political risks through insurance, and enhancement thereby of their potential capacity to borrow from banks and other financial institutions, through assignment of the proceeds of the policy.
Risks covered.[1]	(1) Commercial risks, i.e., insolvency and protracted default, and (2) political risks, i.e., currency inconvertibility, cancellation or restriction of import or export license, expropriation or confiscation, loss due to war, revolution, or civil disturbance, and certain others.	Political risks, i.e., currency inconvertibility, cancellation or restriction of import or export license, expropriation or confiscation, loss due to war, revolution, or civil disturbance, and certain others.
Types of goods and services.[2]	U.S.-produced goods, generally consumer goods, sold abroad for dollars and in some cases for foreign currencies.	U.S.-produced goods, generally consumer goods, sold abroad for dollars, and in some cases for foreign currencies.
Basis of coverage.	Whole turnover (all eligible exports) or reasonable spread of risks.	Whole turnover (all eligible exports) or reasonable spread of risks.
Amount of coverage.	Up to 90 percent of losses due to commercial risks; up to 95 percent for political risks. Policy subject to overall limit of liability and also to maximum amount of credit outstanding to each buyer.	Up to 90 percent of losses due to insured political risks. Policy subject to overall limit of liability and also to maximum amount of coverage in certain countries.
Nature of obligations.	Any of usual instruments used for short-term credit transactions (letters of credit, drafts) or open-account arrangements.	Any of usual instruments used for short-term credit transactions (letters of credit, drafts) or open-account arrangements.
Cash payment requirements.	None.	None.
Repayment period.	Credit terms customary for the goods in international trade up to 180 days.[3]	Credit terms customary for the goods in international trade up to 180 days.[3]
Determination of creditworthiness of buyer.	Exporter shipping against discretionary limit specified in each policy must have in his files at least two satisfactory current credit reports from reliable sources. FCIA, at request of exporter, may arrange a special limit for a buyer justified by available credit information in excess of discretionary limit.	None.
Availability of preshipment coverage.[4]	Yes.	Yes.
Availability of advance commitment.	Not applicable because policy issued for ensuing year's business.	Not applicable because policy issued for ensuing year's business.
Cost to exporter.[5]	Variable, according to destination and terms of payment. Costs normally vary from 0.09 percent to 2.14 percent of gross invoice value.	Variable, according to destination and terms of payment. Costs normally vary from 0.08 percent to 1.42 percent of gross invoice value.
Who applies.	Exporter.	Exporter.
Where to apply.	Through local insurance agent, broker, FCIA member company, or to FCIA itself.	Through local insurance agent, broker, FCIA member company, or to FCIA itself.
Administering agency.	Foreign Credit Insurance Association (FCIA), 250 Broadway, New York, N.Y. 10007.	Foreign Credit Insurance Association (FCIA), 250 Broadway, New York, N.Y. 10007.

[1] Nonacceptance coverage is available in appropriate circumstances. Neither insurance nor guarantees, however, provide coverage when a dispute exists between buyer and seller, or when exporter fails to live up to his contractual obligations.

[2] In addition to the Eximbank guarantees to commercial banks outlined on the chart, Eximbank issues guarantees (comprehensive or political only) directly to U.S. suppliers for certain services (including architectural and design, engineering studies, and economic surveys), for lease of equipment overseas, for goods abroad on consignment awaiting sale, for goods abroad on exhibit at trade fairs, and sales from consigned stocks.

[3] In special circumstances, insurance will be provided up to 1 year under short-term policies.

[4] Basic coverage provides protection from time of shipment, whereas preshipment contract coverage affords protection while product is being manufactured.

[5] In addition to the normal advance commitment for medium-term guar-

and Guarantee Programs

Medium-term insurance (181 days to 5 years)		Medium-term guarantees to U.S. commercial banks
Comprehensive (political and commercial) coverage	**Political coverage alone**	**Comprehensive coverage**
To enable exporters to extend credit by covering most of their risks through insurance, and enhancement thereby of their potential capacity to borrow from banks and other financial institutions, through assignment of the proceeds of the policy.	To enable exporters to extend credit by covering most of the political risks through insurance, and enhancement thereby of their potential capacity to borrow from banks and other financial institutions, through assignment of the proceeds of the policy.	To encourage banks to increase their nonrecourse financing to exporters. Also designed to facilitate the sale of export paper by commercial banks to other financial institutions.
(1) Commercial risks, i.e., insolvency and protracted default, and (2) political risks, i.e., currency inconvertibility, cancellation or restriction of import or export license, expropriation or confiscation, loss due to war, revolution, or civil disturbance, and certain others.	Political risks, i.e., currency inconvertibility, cancellation or restriction of import or export license, expropriation or confiscation, loss due to war, revolution, or civil disturbance, and certain others.	Eximbank guarantees political risks for early maturities and both commercial and political risks for later maturities. Commercial bank assumes commercial risk on early maturities.[7]
U.S.-produced goods, generally equipment and other durables, sold abroad for dollars.	U.S.-produced goods, generally equipment and other durables, sold abroad for U.S. dollars.	U.S.-produced goods, generally equipment and other durables, sold abroad for dollars.
Single sale or revolving sales to a single buyer.	Single sale or revolving sales to a single buyer.	Single sale or revolving sales to a single buyer.
Up to 90 percent of financed portion of contract due to either commercial or political risks.	Up to 90 percent of financed portion of contract due to insured political risks.	Up to 90 percent of financed portion of contract.
The financed portion of each such transaction must be evidenced by a promissory note or series of notes, or in certain cases drafts, in a form prescribed by FCIA, payable in U.S. dollars, in the United States.	The financed portion of each such transaction must be evidenced by a promissory note or series of notes, or in certain cases drafts, in a form prescribed by FCIA, payable in U.S. dollars, in the United States.	The financed portion of each such transaction must be evidenced by a negotiable promissory note or series of notes, or in certain cases drafts, in a form prescribed by Eximbank, payable in U.S. dollars, in the United States.
Foreign buyer provides minimum of 10-percent cash payment; 20 percent required in more difficult markets.	Foreign buyer provides minimum 10-percent cash payment; 20 percent required in more difficult markets.	Foreign buyer provides minimum of 10-percent cash payment; 20 percent required in more difficult markets.
Credit terms customary for the goods in international trade up to 5 years.	Credit terms customary for the goods in international trade up to 5 years.	Credit terms customary for the goods in international trade up to 5 years.
Exporter provides complete description of transaction(s) and credit information relative to buyer(s) and proposed guarantor(s).	None.	Eximbank relies generally on credit judgment of commercial bank up to an established limit. Above that figure the commercial bank should supply Eximbank sufficient information to permit a judgment of the credit risks.
Yes, primarily for specially fabricated products, granted on merits of case.	Yes, primarily for specially fabricated products, granted on merits of case.	Yes, to exporters in connection with issuance of comprehensive guarantee to a bank. Available primarily for specially fabricated products, granted on merits of case.
Yes.[5]	Yes.[5]	Yes.[5]
Variable, according to destination and terms of payment. Costs normally vary from 0.46 percent to 5.88 percent of financed portion.	Variable according to destination and terms of payment. Costs normally vary from 0.35 percent to 4.42 percent of financed portion.	Variable, according to destination and terms of payment. Fees are roughly comparable to the insurance premiums under FCIA medium-term comprehensive policies.
Exporter.	Exporter.	U.S. commercial bank or other U.S. financial institution.
Through local insurance agent, broker, FCIA member company, or to FCIA itself.	Through local insurance agent, broker, FCIA member company, or to FCIA itself.	Exporter deals with his commercial bank which applies to Export-Import Bank.
Foreign Credit Insurance Association (FCIA), 250 Broadway, New York, N.Y. 10007.	Foreign Credit Insurance Association (FCIA), 250 Broadway, New York, N.Y. 10007.	Export-Import Bank of Washington, Washington, D.C. 20571.

antees or insurance, Eximbank will give to commercial bank or FCIA, prior to submission of a formal application, an advance political risk commitment on a particular country, good for 90 days.

[6] These rates are not annual interest but rather flat rates applying to the full term of the insurance or guarantee. Charges for preshipment coverage and advance commitments are in addition to the costs outlined above. These rates, which were in effect as of January 1967, are subject to change.

[7] Early maturities are defined as first half of the installments of a 1- to 3-year credit or the first 18 months of a 3- to 5-year credit (excluding the participation of the exporter). The later maturities are the remaining installments.

NOTE.—The requirements and conditions of the programs outlined above apply in typical situations but may vary depending upon country of destination.

SECRETARY'S ASSESSMENT

Patent reforms due now

U.S. world and domestic market interests both need better technology safeguards

By ALEXANDER B. TROWBRIDGE
Secretary of Commerce

President Johnson's Patent Reform Bill illustrates this Administration's concern with long-range improvements in our economic system.

In transmitting the measure to Congress last February, the President noted that the patent system has "helped American business to translate the 'fire of genius' into the products and processes that have enriched the lives of all of us."

But he also pointed out that "institutions must change to meet the demands of our times," and I think it is clear that modernization is long overdue.

If the patent system is to continue to serve us well it must be strengthened and streamlined to cope with the challenges of the decades ahead. It must keep pace with both expanded trade and new technology. Even more, it must create a better climate for expanded entry of American businessmen into international markets. And it must provide for prompt disclosure and use of new technology in this country. This will benefit not only American business but also the American consumer.

The National Association of Manufacturers, under the leadership of its Patent Committee chairman, Frederic O. Hess, has been among those most active in defining the problems facing the patent system and in relating them to business interests.

One problem that illustrates the need for reform is the unnecessary and burdensome duplication of effort in protecting inventions internationally. This duplication bears heavily on the patent offices of the world and on businessmen engaged in world commerce. It creates an artificial barrier to world trade.

An average of three patent applications is filed internationally on each invention patented. This means that of the estimated 650,000 patent applications filed worldwide each year, two-thirds are duplicates or multiple filings of other applications. Each is processed individually in each country. Moreover, companies and individuals must plow through a complex maze of divergent laws and customs which have grown up over the years, involving even the size of paper which must be used or the number of typewritten lines per page.

In this country, dissemination of technological advances is often delayed by the very system designed to accelerate disclosure. U.S. patent applications are now kept secret until a patent is issued, and this can take up to five years or more.

Because of built-in delays, businessmen, unaware of a competitor's work, may invest substantial sums reinventing something already patented by a competitor. I find it hard to believe that knowledgeable American concerns actually search published foreign patents and applications to find out what other American companies are trying to patent right here in this country.

This Administration has moved on a number of fronts to update the patent system and gear it for more rapid and effective service to business and the public.

Consider the recommendations of the President's Commission and also the Patent Reform proposals he sent to Congress in February to implement the Commission's work. This bill would bring about the first major revision of the patent system in more than a century. It is designed, as the President said:

"1. To raise the quality and reliability of U.S. patents.

"2. To reduce the time and expense of obtaining and protecting a patent.

"3. To speed public disclosure of scientific and technological information."

The President added that these changes would also bring our own system into closer harmony with those of other nations.

Better international cooperation will lead naturally to better protection of intellectual property. And this, of course, is the rationale behind our new bilateral information and search exchange agreements with Germany, Switzerland, France, Japan, Austria and other countries. All of these pilot studies have not been completed. But so far we have learned some valuable lessons from them, notably that the quickest way to end expensive, inefficient, massive duplication is through a multination system within the framework of existing international cooperative arrangements.

Accordingly, the U.S. delegation asked the Paris Union last fall to have the United International Bureau for the Protection of Intellectual Property (BIRPI) undertake an urgent study of the duplication problem. As you know, the result was the proposed Patent Cooperation Treaty which is being considered by the NAM Patent Committee.

I do not propose to discuss in any length the President's Patent Reform Bill, except to emphasize my support for its provisions and their underlying objectives. We want the most effective and efficient patent system to serve this country in the future. Enactment of the Reform Bill, I am convinced, will achieve the goals laid down by the President and will bring our patent system more fully in line with its Constitutional objectives.

Nor do I propose to discuss in any detail the Patent Cooperation Treaty. We are encouraged by BIRPI's effort and initiative and anxious to see further development and refinement of its work.

But I would like to outline what I think are the broad objectives of a modern, efficient patent system and to relate them to our national and international goals.

Simply stated, the patent system should provide effective incentives for the greatest possible development and use of new technology in this country and in international markets.

To the extent that it is able to achieve this goal—

► It will enhance our standard of living, which increasingly is founded upon a sophisticated technological base.

► It will facilitate the transfer of new technology across national borders to

This statement by Secretary Trowbridge on the current need for national and international patent reforms is from his Sept. 8 address to the Patents Committee of the National Association of Manufacturers in New York City.

spur economic progress in all parts of the globe.

► And finally, it will permit us to compete more effectively in international markets where new technology is at the very cutting edge of competition.

We are in a period of both continuing expansion and keener competition in world trade. U.S. exports climbed to record levels last year, and are now running at an annual rate of $31.2 billion. Obviously there is the closest relationship between our export expansion and our technological progress. For example, we can now replace reduced exports in low-technology products with increased exports in high-technology products.

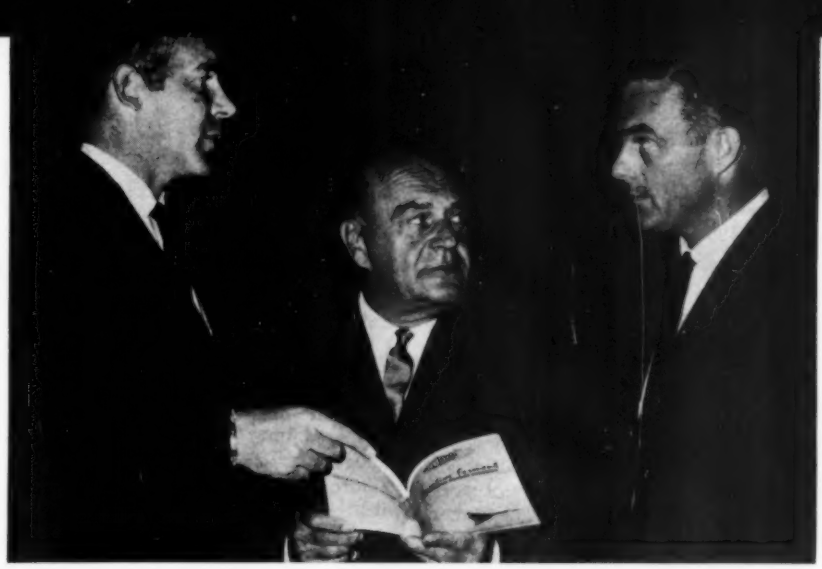
Just as technological changes bear heavily on efforts to expand exports, so does the success of U.S. firms in penetrating high-technology foreign markets depend largely on their ability to obtain foreign patents to protect inventions and innovations. This interrelation will increase, of course, as our mix of export products becomes more sophisticated. Clearly, the trend is toward greater reliance on patent safeguards. The export prospects for the future continue to be bright for highly technical products in which foreign patent protection could be a deciding factor in successful competition in foreign markets.

Developing nations' role

The world market to which U.S. business looks for customers has widened to include many countries which were ignored or not even in existence twenty years ago. These are the so-called less developed countries—less developed in an industrial sense, but in many cases with abundant natural resources. It is generally recognized that they must be brought into the international patent system to help speed their economic development, and their potential as trading partners. BIRPI has been conducting a vigorous program in this regard and we in this country heartily endorse it.

One difficulty is that few of the developing countries have either the personnel or the government machinery for the complexities of a patent system. BIRPI has instituted training arrangements in which our Patent Office is cooperating. Useful seminars already have been held in Asia, Africa and Latin America. BIRPI has also supervised the drafting of a legal model for a national patent system.

In talking about international cooperation, a distinction is sometimes drawn between our national or domestic interests and our international objectives. I can't see any difference between the two. For the patent system to be truly effective, it must serve both to foster progress at home and to stimulate our international commerce.



PROPOSALS FOR UP-TO-DATE WORLD PATENT SYSTEM are reviewed by (l. to r.) U.S. Patent Commissioner Edward J. Brenner, industrialist-inventor Frederic O. Hess and Secretary of Commerce Alexander B. Trowbridge. Mr. Hess, president of Selas Corp. of America, Dresher, Pa. is chairman of the National Association of Manufacturers Patents Committee that sponsored the recent New York meeting.

Both the Patent Reform Bill and the proposed Patent Cooperation Treaty envisage far-reaching changes in old and established customs and practices. For this reason, if for no other, they invite controversy and opposition. To the extent that this is constructive and in the national interest, we welcome it. To the extent that it is self-serving and designed to create roadblocks, we deplore it. Whoever would oppose these measures because he is against change, per se, or for other purely subjective reasons, has a real obligation to review his position in light of the national interest—not to say that of his business or his profession. It is less than responsible to pretend that either the U.S. patent system or the international legal structures protecting inventions, as they exist today, cannot be improved upon.

Reasonable men may differ over details; I cannot believe there is any question that basic reforms are needed—and soon. The world quickly leaves behind those who cannot adapt to the fact and the form of change.

We are now in the process of studying the BIRPI draft. The meeting and discussions of NAM, and those of other interested parties, will help us. We should not forget that this is a draft, the first of many which will be prepared even before formal international negotiations are begun.

At a meeting of the Committee of Experts, scheduled for October in Geneva to consider the draft Treaty, the views of 23 interested governments on the Treaty will be fully explored. To provide broad gauge representation at this meeting, private industrial and bar groups from this and other countries have been invited to participate. Following the October meeting, there will be ample opportunity for further consideration of a revised draft Treaty.

We favor harmonization of national patent laws, and we look to the ultimate goal of a true universal or multinational patent. The proposed Treaty is a major step toward this goal. Because of its importance, we should make it as attractive as possible. For example, it may be that to attract the widest possible international support, this initial step should require as little change as possible in the national laws of the member countries. It should require a minimum of administrative cost and effort. If proposals to improve the Treaty in these and other areas will increase support for it, we are prepared to vigorously sponsor such proposals.

All of these moves in the patent field, both in the international and domestic spheres, should illustrate our resolve that technological progress not become ensnared in technical red tape.

How ironic it would be for man's inventive genius to be stymied by our failure to devise ways to put the fruits of his genius to work!

We are characterized as an "innovative" society—which essentially means that we can turn the ideas of man into effective and productive tools. It is clearly in our joint interest, as administrators and as users of the patent system, to see to it that such a description of our economic system is continually proven to be accurate.

U.S. food role reviewed

Nehmer outlines Commerce program for helping U.S. firms cope with world hunger

By STANLEY NEHMER

Deputy Assistant Secretary of Commerce for Resources

The war on hunger offers a tremendous export potential for the agribusiness sector of the U.S. economy. Agribusiness is confronted with the opportunity of working hand-in-hand with American farmers in increasing our export earnings and at the same time helping in the economic development of the free world.

Close cooperation with business is the principal assignment of the U.S. Department of Commerce. In the field of agribusiness, the government has an emerging responsibility to assist American industry in developing world markets for its products and technology.

The alleviation of hunger is basic to international stability and peace. And as developing nations gain in economic health, they offer new markets for American products and investment.

It is clear that the initiative and resourcefulness of private industry are needed to provide the network of supporting services, communications, credit, transportation and marketing facilities, as well as manufacturing and processing which combine together into the complex system of food distribution to the ultimate consumer.

A sound and sensible way to become a factor in the agribusiness of a foreign economy usually starts with exports, later ripening into a natural need to invest in on-the-site plant and production. Exporting agricultural requisites and the technology that goes with organizing agriculture and efficiently using these requisites should, we believe, form a major component of U.S. strategy in attacking the world food problem.

Where we stand

Where does American agribusiness stand today in the world marketplace?

I won't inundate you with statistics, but I want to give you some that are meaningful in terms of trends and future potential.

Let us start with U.S. exports to the developing countries. Last year, they amounted to $10 billion—almost one-third of our sales overseas and almost one-quarter of their total imports. An indication of the potential for American exporters is provided by our National Export Expansion Council, which predicts that imports needed by the developing nations will grow by $1-1.5 billion a year over the next decade.

Turning to our agribusiness, U.S. exports of agricultural commodities throughout the world were just under $7 billion last year—almost one-fourth of our total exports. In addition, the U.S. exported $788 million worth of farm machinery, fertilizer, pesticides, and food processing machinery. Exports of these items during the first half of this year were $466 million, ahead of the 1966 pace.

Though our overseas shipments of agricultural commodities and manufactured products have been rising steadily, we can and must do more to insure our share of the world market. We lead in the sale of farm machinery and fertilizer, but West Germany has outdistanced us in exports of formulated pesticides and food processing machinery.

Last year, the U.S. exported $444 million worth of farm machinery—a little more than one-third of the foreign sales of the major trading nations. Our biggest market was Canada, which bought $288 million.

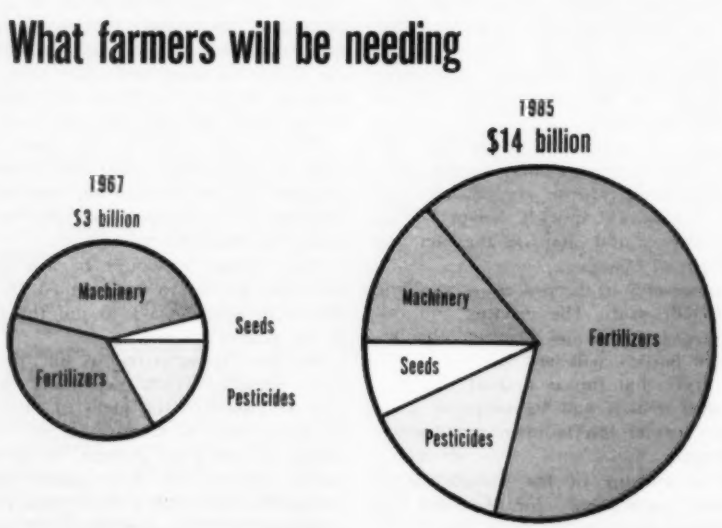
In world competition, the U.S. overtook Germany in exporting fertilizer last year. Our exports totaled more than $220 million, up from the year before, while Germany's exports were slightly more than $157 million. Although our fertilizer exports have risen rapidly in this decade, we had only a one-sixth share of the world market in 1965.

India, which has mounted a major program to increase agricultural output, is one of our best markets for fertilizer, and is encouraging private domestic and foreign investment in fertilizer production.

U.S. exports of prepared or formulated pesticides and weed-killers have actually declined in recent years, while Germany has taken over the larger share of the market. U.S. sales last year were about $76 million; Germany's were $114 million. These figures, however, do not include sales of pure ingredients, which are shipped overseas in bulk. U.S. statistics do not separate exports of pure pesticides from other chemicals.

At any rate, the U.S. share of the world market in 1965 was only 19%.

Germany also leads us in exporting food processing machinery. Last year, the U.S. sold about $47 million worth over-



The accompanying article was based on major excerpts from a speech by Mr. Nehmer scheduled for delivery at last week's National Convocation on World Hunger in New York.

seas to Germany's $85 million. Our share of the world market in 1965 was less than 18%.

This is another export area of important potential for U.S. manufacturers, since more processing equipment will be required as world food production expands.

In order to capitalize on this export potential, the Commerce Department is becoming increasingly active in programs to assist agribusiness. Just last month, it sponsored a trade show in Mexico City for American manufacturers of food processing and packaging machinery, with highly successful results. More than 8,000 Latin American businessmen came to the show, and the 62 exhibitors reported more than $1 million in floor sales and estimated they would sell an additional $7.5 million during the next year as a result of the show.

Such commercial exhibitions of American products and services in the world's major markets are one approach the Commerce Department employs to expand exports and to identify investment opportunities.

Three-front program

The Department's programs to help increase trade with, and investment in, the developing countries are centered on three fronts: to seek an improved climate for U.S. exports and investment, to carry out trade and investment promotion activities which provide American businessmen with information about the opportunities for business in those areas, and to supply information that will support and facilitate investment.

Commerce is also pursuing recommendations made earlier this year by the Action Committee on Trade and Investment of the National Export Expansion Council, an advisory group of businessmen to which I referred earlier, with particular reference to agribusiness.

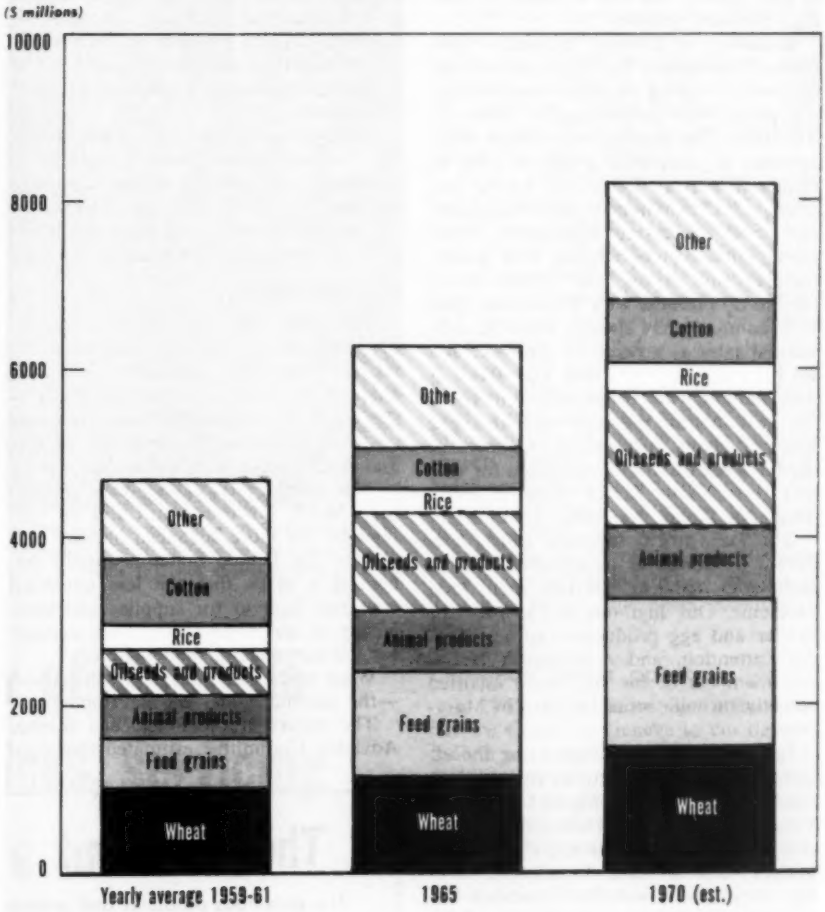
These recommendations cover export credit, use of local currencies generated by PL-480 programs, and the allocation of adequate foreign exchange to provide continuing support to U.S. investments after foreign aid has been terminated. A special effort is being made to get AID funds used in ways that will establish long-term commercial exports. For example, financing of fertilizer with AID funds has, on occasion, been made contingent on the participating country's earmarking more of its own foreign exchange to buy fertilizer from U.S. sources.

On the policy level, the Commerce Department has given recognition to the importance of agribusiness to our nation's efforts to expand foreign trade. Within the Department, a working group was recently organized to assess the world fertilizer outlook. It concluded that there is a major trade potential in fertilizer that should be exploited in conjunction with AID's agricultural development efforts in the developing countries.

Also under consideration is a proposal to create a special action group on agribusiness within the National Export Expansion Council. If undertaken, it would work closely with the proposed "Agribusiness Council," which would be an outgrowth of an ad hoc steering committee on agribusiness under the leadership of Henry Heinz. It would, I believe, need to be reporting to all concerned elements of the government—AID, the Department of Agriculture, and the Department of Commerce—so that its scope would reflect the full range of the government's concerns and opportunities to act.

This year, too, the Department has held consultations with various agribusiness firms. One conference concerned proposed cooperative efforts by several non-competing firms dealing in fertilizer, farm machinery, and food processing equipment. Another entailed organization of a team to advise the inventor of a new fertilizer blending process about licensing and marketing possibilities overseas. A third conference was to give advice to an investor who was interested in establish-

The world takes U.S. agricultural exports



ing fertilizer production in an underdeveloped country.

The Department has made special surveys on foreign production of and the market potential for U.S. manufacturers of various agribusiness ingredients. Tours of U.S. plants were also arranged for foreign business visitors.

Recently, a 22-man Yugoslav agricultural machinery buying mission spent two weeks visiting six major manufacturing plants and demonstration farms in five states. The mission represented management of more than a million acres of farmland with an immediate buying potential of $20 million in farm machinery and food processing equipment. Commerce subsequently advised U.S. manufacturers and export sales companies on how to do business with Yugoslavia. One U.S. company has already reported substantial sales as a result of the tour, and we have been advised that Yugoslavia is now planning two further official missions for next month. We have also arranged tours of plants operated by members of the National Canners Association for visitors from South Africa, Nigeria, India, Thailand, Japan, and other countries.

The Department regularly assists less-developed countries in introducing U.S. technology to help alleviate their food problems. Our high-output facilities for broiler and egg production attracted India's attention, and Ambassador Nehru and members of his staff were escorted recently through some facilities in Maryland.

In addition, we are supporting the efforts of U.S. manufacturers to introduce mechanical cotton picking in Greece and Syria, and 17 pickers have already been shipped for demonstration purposes. The Millers National Trade Association, working cooperatively with the Commerce Department, is offering to advise India, Pakistan, Nigeria, and other countries on development of plants to produce cereal products.

We are currently preparing a report covering the scope of food irradiation programs in 78 nations. When completed, it will stimulate the development and commercialization of this new method of food preservation to help extend the world's food supply. We have assisted U.S. industry in acquainting merchants in Dahomey with American rice, which has become popular there.

Exportation of agricultural products has trended steadily upward since World War II. While much of this trade with the developing countries has moved under the Public Law 480 (Food for Peace) agricultural surplus disposal program, such sales are being shifted from a local currency basis to medium- and long-term credit payments in dollars as the more advanced of these countries improve their foreign exchange earnings.

At the same time, though, because surpluses have shrunk and the capabilities of our agricultural plant are not unlimited, government has concluded that the developing countries should be encouraged to decrease their reliance on the U.S. and to increase their own production of these commodities.

Development of the agribusiness structure in food-short nations is essential to growth in other phases of commerce and industry. These in turn are essential to the maintenance of a climate of international political and economic stability.

Massive needs

This shift toward "self-help" will require massive inputs of manufactured materials—fertilizers, pesticides, and machinery—to increase agricultural yields rapidly in the developing countries. Some of these items can be produced locally, and development plans are giving priority to this category of agribusiness production. Much, however, must still be supplied by the more advanced nations.

Thus the United States is rapidly becoming a place that the less advanced countries look to for supplies and technology in developing their own agricultural systems along modern lines.

What is the task ahead for all nations —the advanced and the developing?

The report of the President's Science Advisory Committee estimated that food production must increase by 4% a year for the next 20 years to match food demand. To meet this growth, the report stated, additional investment in agricultural requisites of more than $300 million a year, rising to nearly $4 billion a year by 1985, must be made.

This means that between now and 1985 inputs of fertilizer will have to increase from 6 million tons in 1966 to at least 40 million tons in order to provide food for the expected population 20 years hence. Use of pesticides will have to increase from 120,000 tons a year to more than 700,000 tons in order to double the production of food. Much more farm machinery and more and better seed will also be needed.

Overall, the President's Committee estimated that the total cost of improved agricultural inputs—fertilizers, seeds, pesticides, and machinery—will swell from $3 billion a year in 1966 to $14 billion a year by 1985.

Nor would it make sense from an economic viewpoint for these countries to aim at completely ending their reliance on the developed countries for fertilizer, machinery, pesticides, and similar inputs.

Large quantities of these inputs will, of course, be supplied by the developing countries themselves as they increase their industrial production. However, the capital requirements are tremendous, and it is both physically and financially out of the question to project that the developing countries will become self-sufficient in agricultural requisites within the next 15 to 20 years.

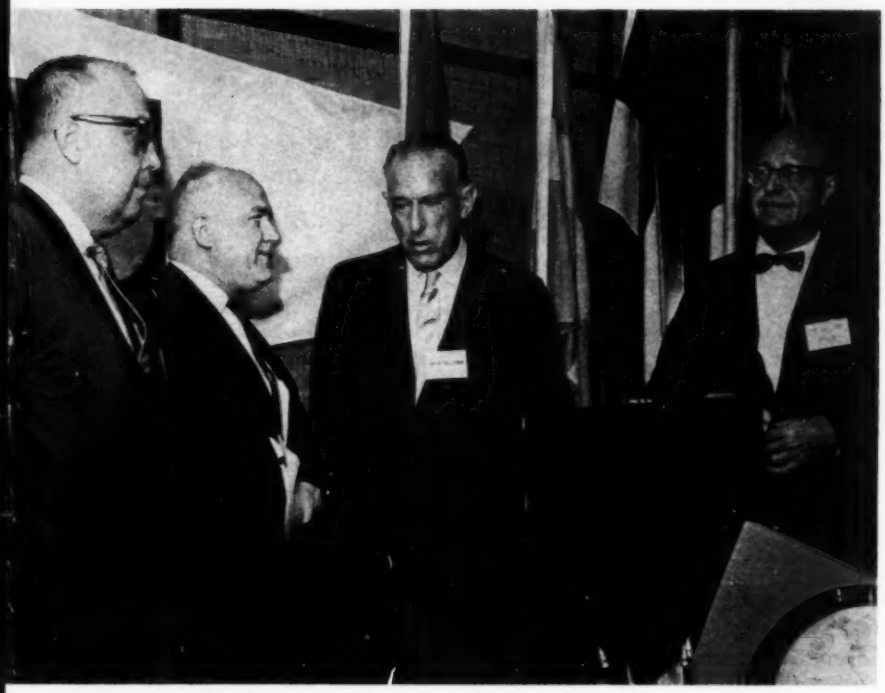
The Problem . . . . and the Promise

The enormous problems and promise of the world food shortage were compellingly outlined by Edward A. Gibbs, International Harvester's Director of Export Operations, at the Farm and Industrial Equipment Institute's winter meeting in Miami last January:

"The first thing which is apparent is the greatly heightened interest in the world food shortage. The reason for this increased awareness is simple; the world is finally awakening to the frightening fact that we are losing in the race between food and population. For four consecutive years world wheat consumption, for example, has exceeded production. We have been living out of reserve stocks since 1962; we have virtually used up our so-called surplus.

"I am convinced that the American farm equipment industry has a vital role to play in the urgent world program to raise more food and fiber. We can be useful partners to governments, to foundations, and to private enterprise, but we ought to be prepared to wage the war realistically and intelligently. It is a challenge that will tax our domestic and overseas resources, our financial ingenuity, and our managerial and technical manpower for years to come.

"The possibility of reward is great to those who participate—reward not only in the idealistic sense of helping humanity and not only in the merely pragmatic sense of bringing profit to our business firm, but bringing relief to a hungry world is in our own self-defense!"



'E' AWARD TO MOTOROLA was presented to C. Lester Hogan (l.), company vice president and general manager, by Charles F. Boehm (2nd l.), director of Commerce's Office of Field Services. Sen. Paul J. Fannin (3rd l.) congratulated Dr. Hogan and Dr. Daniel E. Noble (r.), vice chairman of the board.

Phoenix subsidiary of Motorola uses overseas offices, servicing for semiconductors to win 'E'

Company conducted overseas course to acquaint engineers with use of integrated circuits, increase demand for its product

A network of knowledgeable distributors, a European service center, and an effective combination of foreign regional sales/technical liaison offices have helped to increase exports and win the President's "E" award for Motorola Semiconductor Products, Inc., of Phoenix, a sales subsidiary of Motorola, Inc.

According to Dr. C. Lester Hogan, company vice president and general manager, "Motorola has maintained a continuing substantial contribution to the balance of payments despite increasingly difficult foreign competition."

Motorola's position in the semiconductor field has been built on its ability to offer technically advanced products. This skill receives primary emphasis abroad.

During the last five years, Motorola has organized a strong export marketing effort with offices and distributors in all major markets. Creative marketing approaches have proven successful in overcoming basic problems of exporting into highly competitive new market areas. Motorola's exports, approximately one-fifth of total U.S. semiconductors in 1966, have consistently grown faster than the industry rate.

Prior to 1962 Motorola's export business for all product lines was conducted through a centralized international operation in Chicago. With the development and expansion of semiconductor headquarters and factory in Phoenix, the export marketing personnel were too far from the center of action. So, management decided to locate the export operations in Phoenix also.

Motorola franchised distributors in major markets overseas. Only those with aggressive, technically competent sales engineers, willing to work closely with the customers' design engineers to help them design Motorola devices into their equipment, were selected.

During 1964 Motorola realized that its many customers and large markets needed direct sales, technical and financial contact. So, the company's first overseas regional sales/technical liaison office was opened in London. This provided the direct interface that could not be gained from distributors alone.

Based on successful experience in England, Motorola opened offices in Weisbaden, West Germany, and Toronto and Montreal, Canada, in 1966. The company expects to open offices in Milan, Stockholm and Tokyo before the end of this year, continuing its efforts to get closer to its customers and the competition.

Motorola is presently constructing semiconductor production facilities in Toulouse, France, and Seoul, Republic of Korea.

European center opened

In 1965, Motorola installed a European Service Center in Geneva to cut delivery time from a previous three-six weeks to two-three days on standard, off-the-shelf items. An inventory of several million dollars was established and an applications laboratory was included and staffed to assist customers with the technical and commercial problems of applying integrated circuits and discrete semiconductors. European customers have asserted that Motorola deliveries today are faster than those of many European manufacturers. Company policy is to offer rapid, first-rate service using cables, telex, high speed telex and telephone.

In expanding its overseas sales, Motorola faced the problem of communicating its capabilities to the influential men in Europe: the top scientists, design engineers and technicians. Rather than plan a conventional advertising campaign, the company decided to make a dramatic presentation of its products and their applications. Although European electronics design personnel were aware of integrated circuits, they were not sufficiently knowledgeable to incorporate them into their new equipment designs. Motorola had already presented a course on

Integrated Circuits Design and Applications four times in Phoenix. The firm decided to conduct the course in Europe. It was given in Paris in April 1965 by the company's key scientific and marketing specialists. The lectures were conducted in English, with simultaneous translations into French and German.

Not only was the enrollment greater than anticipated (440 top ranking electronics engineers and scientists), but more than 100 late applicants could not be accommodated. All Western Europe, plus Australia, Israel, Japan and South Africa were represented. The program's success was reflected by an increased demand for integrated circuits abroad.

Special servicing

Engineers with foreign experience were hired to staff the international headquarters in Phoenix. Their attention is directed exclusively to servicing distributors and sales personnel overseas. Separate support functions have been established in Phoenix to handle the requirements of international business in accounting, legal, personnel, credit, customer service and marketing.

Motorola has also placed an area manager and a credit manager in Europe to meet the particular needs of that market.

Export sales engineers, as well as management personnel, make frequent trips abroad to handle problems directly, as well as to keep informed about the offices, distributors, customers, local industry, trends and the country in general. Each export sales engineer is responsible for specific countries, and takes care of all his sales and commercial problems.

Overseas personnel distributors and customers visit Phoenix and are given tours by the responsible sales engineers. Extensive electronic and marketing training are provided for the staff, overseas personnel and distributors. Private foreign language training is also provided. All export personnel, including secretaries, know more than one language.

The present strength of international operations consists of nearly 100 people—some three-quarters of them overseas.

The "E" flag was presented at a special luncheon in the company cafeteria, by Charles F. Boehm, director of the Commerce Department's Office of Field Services, to Dr. C. Lester Hogan, Motorola's vice president and general manager. The flag was raised at the company plant and "E" pins were presented to principal employees. The "E" certificate was presented that evening at a banquet at the Cloud Club in Phoenix, attended by Arizona businessmen and local, state and federal officials.

LOOKING AHEAD TO SPEED OVERSEAS AIR TRANSPORT, facsimile copies of cargo documents, passport photos and immigration forms were transmitted forward via satellite even while a Trans World Airlines jet was flying to Washington from Frankfurt, Germany. The experiment looks ahead to the 1970 appearance of jumbo jets in cargo and passenger use. The experiment was sponsored by the Air Transport Association and eight government agencies and private companies. From left are Thomas G. Darling of the U.S. Department of Agriculture's Plant Quarantine Division; Samuel E. Ewing of Radio Corporation of America; Michael Kinsey of Muirhead Instruments; Thomas J. Gorman, Jr., of the U.S. Bureau of Customs, and Lou Donato of RCA Communications. The scene is a special communication room at Dulles Int'l Airport.

International marketing is seminar topic at Buffalo

New approaches to global marketing will be presented at an International Marketing and Management Seminar held on consecutive Monday evenings, Oct. 2-Nov. 27, at the Communication Center, State University of New York College at Buffalo.

Sponsored by the Western New York Regional Export Expansion Council and the Department of Commerce Buffalo Field Office, the series will consider such aspects of international operations as financing, advertising, shipping and documentation, and transportation.

For further information, **write:** Edward T. Brick, Buffalo Area Chamber of Commerce, 238 Main St., Buffalo, N.Y. 14202.

Michigan Chamber publishes new world trade bulletin

The Michigan State Chamber of Commerce's World Trade Department has begun publication of a World Trade Bulletin. The four-page bulletin, which will appear monthly except during July and August, has a circulation of 4,500 and will carry news of general interest to the Michigan world trade community.

The Chamber's new World Trade Committee has also been organized into eight major task forces, dealing with: education, financial and investment services, foreign visitor services, information, legislative study, trade development, trade promotion, and transportation.

Traders' courses at L.I.U.

Three courses for international traders will be offered at Long Island University beginning in October, under the sponsorship of the New York Regional Export Expansion Council and the New York Field Office of the Dept. of Commerce.

They are: Planning and Organizing for International Trade, to run seven consecutive Wednesday evenings starting Oct. 4; International Business Marketing-Management, eight consecutive Tuesday evenings starting Oct. 17; and Documentation, eight consecutive Thursday evenings beginning Oct. 19.

For further information, **write:** Prof. Harry Stucke, College of Business Administration, Long Island University, Zeckendorf Campus, Brooklyn, N.Y. 11201.

'Electronics USA/68' will exhibit process control, instrumentation equipment in rich German market

Fall trade show at Frankfurt Trade Center will aim to increase U.S. share of estimated $110 million annual industrial purchases

U.S. electronics equipment makers will go after Germany's $110 million market for process controls and instrumentation through a U.S. Department of Commerce sales promotion show Oct. 30-Nov. 3 at the U.S. Trade Center in Frankfurt.

"Electronics USA/68" will provide a look at the latest equipment the U.S. electronics industry has to offer for commercial, industrial and military applications.

German industry is increasing its purchases of electronic measuring, testing and control devices to boost productivity, and prospects for the sale of U.S. equipment are especially promising, market surveys show. Proven reliability and the use of solid state components and microelectronics are major features German buyers seek.

The Trade Center show will bring buyer and seller together through a market development program now in progress throughout West Germany and nearby countries. An agency-finding service for U.S. firms not represented in the market also has begun.

Surveys pinpoint opportunities

Market surveys indicate that the total estimated German market for process controls and instrumentation is $110 million. Major purchases are being made by the chemical, petrochemical, transportation and mining industries.

Total consumption of communications products may amount to well over $400 million annually. The best sales opportunities are with the chemical and petrochemical industries and the fast-growing space industry. The estimated potential market for telemetric equipment is about $10 million annually over the next few years.

Participation in Commerce-sponsored overseas commercial exhibitions has proved profitable for U.S. electronics equipment makers in the past. One of the most successful shows ever staged at the U.S. Trade Center in Frankfurt featured the electronics production and packaging machinery of 43 American firms.

Exhibitors recorded $585,000 in floor sales and estimated they would do more than $7.7 million worth of new business in Western Europe within a year of the show, held in January 1966.

Of exhibitors looking for agents, five appointed a total of ten new representatives (three in Germany, two in France, two in Switzerland, and one each in Italy, Belgium and the Netherlands).

U.S. firms interested in taking part in the Frankfurt show may obtain more information from the Bureau of International Commerce (code 928), U.S. Department of Commerce, Washington, D.C. 20230 (phone: area code 202-967-4713), or from any of the Department's 42 Field Offices.

Second catering exhibition set for November in Basel

The second edition of the biennial International Catering Exhibition is scheduled for Basel, Switzerland, this year, from Nov. 22-28. Sponsors for the exhibition are the European Catering Association and national associations in France, Germany, the Netherlands, Denmark, Sweden, and Switzerland, as well as the Swiss Hotel Association and the Association Internationale de l'Hotellerie.

All U.S. businessmen dealing with staff restaurants, canteens, refectories, and hospitals and other institutional food service establishments have been invited by the fair management to attend. The first exhibition two years ago showed kitchen equipment, food storage facilities, food and drink service equipment, dining room furniture, dish washers, and other items of interest to large-scale food operations.

A model canteen, a model cafeteria, and model hotel rooms will be featured at the exhibition, which is known as IGEHO-67.

Write: Fair Secretariat, CH-4000, Basel 21, Switzerland.

ASTME to sponsor symposium at Sydney international fair

Nine foreign countries have indicated their plans to participate in the Sydney International Trade Fair, set for Oct. 19–28 at the Royal Agricultural Society's showground in Sydney, Australia.

A machining and tooling symposium will be held in conjunction with the fair, and will be sponsored by the Sydney chapter of the American Society of Tool and Manufacturing Engineers (ASTME). The symposium will consist of three one-day technical sessions.

Lectures on the first day will cover various aspects of the numerical control of machine tools, with speakers from American and Australian firms and associations. The second day will be devoted to techniques of metal removal, and the final day will feature machine tools.

Attendance at the symposium will be limited to 180 persons. Tickets are available at Australian $25.00 (A$20.00 for ASTME members). **Write:** Industrial and Trade Fairs Pty., Ltd., 77 Pacific Highway, Sydney, Australia.

Netherlands plans December fair for plant maintenance

The first Netherlands Trade Fair for Cleaning and Maintenance has been scheduled for Dec. 11-14 in the RAI Building, Amsterdam, and will be held under the auspices of the Institute for Professional Cleaning and Maintenance.

A symposium on building sanitation will be held during the four days of the fair. American manufacturers and organizations in the cleaning and maintenance field have been invited by the fair management to exhibit products and to participate in the symposium.

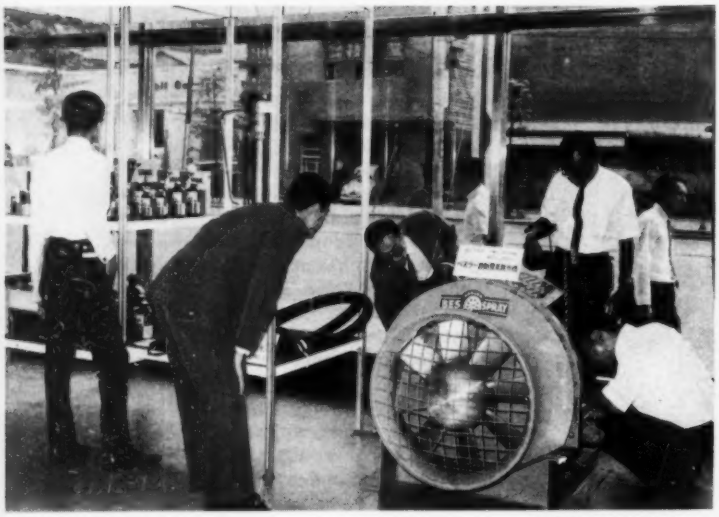
Write: RAI-Building, Europaplein, Amsterdam, Netherlands.

U.S. firms invited to exhibit at Spanish fair through agents

American firms with established representatives in Spain have been invited to participate in the Technical Fair of Applied Chemistry (EXPOQUIMIA 67), to be held in Bilbao, Spain, Oct. 22-31.

The exhibit will include four sections: inorganic chemical products; organic chemical products; plastics resins, and compounds for molding; and machines, apparatus, and accessories for the chemical industry.

Write: Commercial Office, Embassy of Spain, Washington, D.C. 20008.



CHEMICAL SPRAYING EQUIPMENT displayed by the Transworld Purchase & Supply Corp. receives close scrutiny (above left) from Japanese trade visitors. A sales representative of Dow Chemical Co. discusses his firm's herbicide products (above right) with a trade visitor to the Dow booth at the show.

Agricultural exhibit draws 1,000 in Tokyo

With sales during the next year expected to top $1 million, the show of agricultural chemicals and specialties, held Aug. 28-Sept. 2 at the Tokyo Trade Center, was rated a success by all 20 U.S. firms participating in the exhibition. All of the companies exhibiting succeeded in achieving a number of their principal marketing objectives.

Five of the American exhibitors were new to the Japanese market, and by the end of the show, these five were negotiating agreements with 15 possible agents to represent their products on a long-term basis.

Visitors to the show totaled 1,000, with 857 registered as having a definite interest in the agricultural trades.

TERMITE CONTROL PROCESS is shown to interested buyers (above) by Velsicol Chemical Corp. Chick brooder (left) by A. R. Wood Co. was a popular attraction. A series of seminars, such as the one on profitable poultry farming through disease control (below) made a favorable impression on visitors.

Worldwide Business Outlook pages 17–25

CURRENT BUSINESS DEVELOPMENTS IN BRIEF: The SNFC (**French** National Railways) and the British Railways have recently decided to operate jointly a new freight steamship line across the English Channel between Dunkirk and Harwich. As of October 1st traffic will be handled by a British Railways vessel, "The Norfolk Ferry" which has been converted into a container ship with rails to also accommodate freight cars. Meanwhile the SNCF has ordered from a French shipyard a "container" vessel which will transport trucks and trailers. This vessel will go into service early 1969. Its capacity will be 120 containers of 30 feet each. . . . The Anglo-American Corporation of South Africa has announced that it will begin detailed survey work of coal deposits near Palapye, **Botswana,** which, according to incomplete preliminary information, may contain about 150 million tons of bituminous steam coal. Development of these deposits has been spurred by a recent discovery of copper and nickel ore by Roan Selection Trust Ltd. in an area slightly north of Palapye, near Francistown. Reportedly, coal from Palapye could become a sizeable source of power for a potential mining and industrial complex centered around Francistown. Botswana has depended mainly on pastoral and agricultural activities. Now, however, a significant mining industry appears probable.

German slump is ending

Government's anti-recession measures reassure business community

There is a growing consensus that the worst is over in the year-old German recession. The improvement in general atmosphere is most directly attributable to measures of both government and the Bundesbank.

The most optimistic indicator is an upswing in industrial orders. Some brighter spots are beginning to appear in the industrial production and construction situations, and unemployment has declined substantially since its February high.

Private consumption is holding up, bringing improvement to both wholesale and retail trade.

Businessmen's expectations are more optimistic than at the start of the year, the stock market reached new highs in August, and the first autumn trade fairs were successful.

U.S. export opportunities will improve with a general economic upswing, not only in traditional areas of U.S. sales interest but also for suppliers of sophisticated industrial equipment and products catering to new consumer tastes and leisure activities.

German economic philosophy has undergone a subtle transformation in favor of more active public sector policies, which should provide business with greater assurance against both stagnation and the extreme swings of the business cycle.

Although the statistical evidence is mixed, the German economic climate in the summer of 1967 was definitely better than earlier this year. For the first time in a year, there is virtual unanimity among observers that the slowdown has come to a halt, and that the forces of recovery will begin to assert themselves increasingly over the coming months.

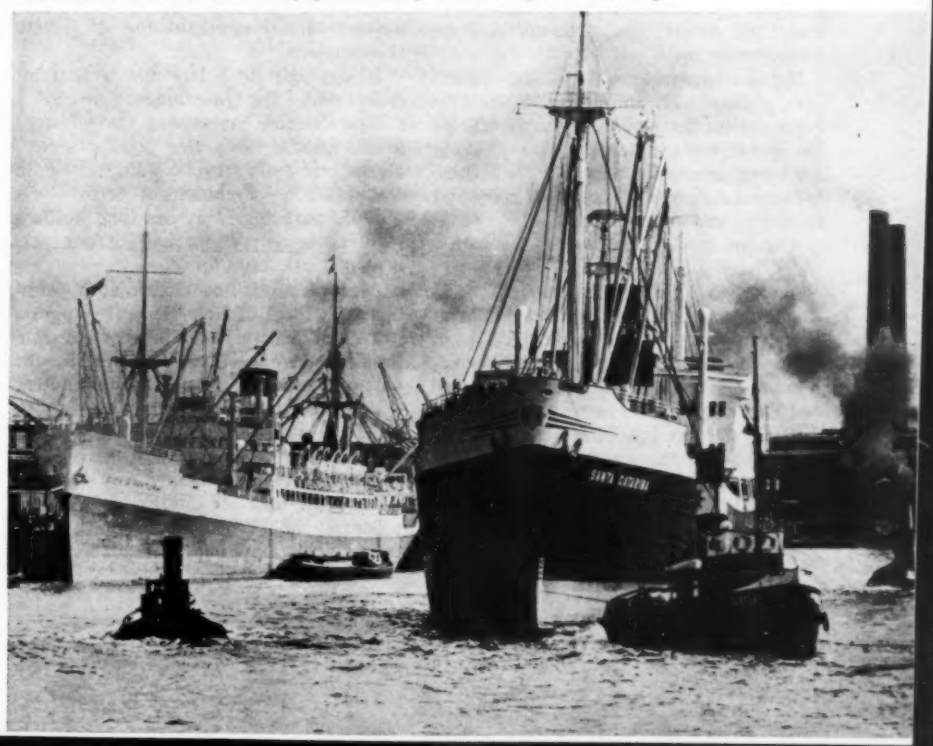
The psychological change in recent weeks was dramatically reflected in stock market developments. In the first three weeks of August, stock prices rose by 12% to a new 1967 high, over 30% higher than at the start of the year, and only 4% below the 1966 peak.

Diminished industrial investment has been the primary adverse factor affecting resumption of vigorous economic expansion. Hampered by a low (78%) usage level of manufacturing capacity and disappointing profits, entrepreneurs have not been responding as expected to the Government's depreciation allowance concessions announced early this year with an October 31 deadline.

On the other hand, perhaps the most convincing concrete evidence for the return of optimism is the rising trend in new industrial orders—a traditional herald of greater economic activity. Total orders reached a level in June over 10% higher than at the start of the year.

Overall domestic demand is strengthening (up 8% since January), and the foreign order boom continues (up over 20%). The main buoyancy in new orders

FOREIGN TRADE REMAINED A GERMAN STRONG POINT throughout the country's recent recession, and trade levels remain brisk as recovery gets underway. Below, the port of Hamburg.



is now in the investment goods sector, which had been hardest hit in the latter part of 1966.

The potential for a revival in investment activity is indicated by the comparative strength in recent orders for steel hot rolling mills, iron and steel foundries, and machinery for the producer goods industry.

In the consumer goods sector, the recovery trend is less pronounced, although foreign demand is more than compensating for relative stagnation in orders originating from the domestic economy.

The apparent strength in new orders has yet to find an echo in actual industrial production, although the most recent data suggest that the upward trend may finally be firm. The results for particular industry groups are quite differentiated.

Chemicals a strong point

Chemicals are a strong point among raw material producers. Production in the investment goods sector, seasonally adjusted, appears to be stagnating at a level considerably below last year. While machinery output declines, electrical equipment is in a strongly rising trend.

Despite benefits accruing from the Government's first countercyclical investment program, the construction sector—apart from the building finishing trades—remains a problem area. Recent improvement is largely attributable to seasonal influences, and activity indicators such as utilization of machinery capacity, number of workers, and the construction index remain far below levels of recent years.

Private consumption is holding up well, with a decline in the rate of savings to disposable income. As a consequence, wholesale turnover, while still slightly below 1966 levels, has distinctly revived since the spring.

Retail trade presents a similarly promising picture, with summer sales probably higher than last year. Although textiles have experienced recent difficulty, gains are being posted for electrical appliances, radio and television, office machinery and furniture, and automobiles.

Unemployment has declined substantially, from a high of 674,000 (3.1%) in February to 377,000 (1.8%) in July. In a parallel development, unfilled vacancies are rising steadily, and begin once again to approach the number of unemployed, a situation which has not prevailed since last December.

Price stability has been achieved. The annual rate of change in the cost of living index this summer has been hovering around 1.5%, in contrast to 5% at the beginning of 1966. Even this small increase is largely attributable to lifting of rent controls and to petroleum price increases associated with the Middle East crisis.

Industrial prices yielded considerable ground during the recession, and have been below 1966 levels since February. The greatest relative price concessions are in non-ferrous metal products, iron and steel, electrical equipment and artificial fibers.

Prices for raw materials and certain producer goods are currently lower than in recent years. The same is true of industrial construction costs.

The foreign sector continues to be a major bulwark of the German economy. An unprecedented foreign trade surplus of $2.2 billion was achieved in the first half year—greater than any full-year surplus recorded in the post-war period. Exports climbed nearly 11% over the first half of 1966 to a total of $10.7 billion.

In contrast, imports are still lagging under the pressure of slack domestic demand. At $8.5 billion in the first half year, imports are 6.7% below 1966 levels; commercial imports (excluding military and agricultural) are down nearly 8%.

The positive growth rates recorded in the first half of this year in exports, private consumption, and the government sector have not been sufficient to counterbalance the investment and construction declines, resulting in a probable fractional fall in Gross National Product in current prices.

In constant prices, the first half year GNP is at least 1.5–2% below the comparable level in 1966. Nevertheless, the most recent trends point to a relative improvement in the coming months in both industrial investment and construction, as well as further strengthening of private consumption.

It was not until late spring that all orders under the Government's first $625 million Special Investment Budget were finally placed with the private sector. Hence, its countercyclical impact—both real and in psychological terms—was diluted, particularly as the total amount involved is only about half of one percent of Germany's GNP.

Moreover, it is now clear that the stimulative effects of the Federal program were more than counterbalanced by contractions in investment outlays on the part of the States and local communities, which are faced with tax revenue shortfalls.

When it appeared early in the summer that the private economy was still not generating sufficient internal growth momentum, the Federal Government made use of powers granted to it under the recently passed Stability and Growth Law. Parliament was due to consider on Sept. 6 a new $1.3 billion Second Countercyclical Program, to be implemented at all levels of the public sector—including States and local communities.

The new program has met with general approval, and the prospect of additional public sector orders is an important contributing factor to the general improvement of the psychological climate in recent weeks.

The Bundesbank continues to endorse a policy of monetary ease, which has brought down the rediscount rate from 5% to 3% since the beginning of the year, and released a total of $1.6 billion through reductions in banks' minimum reserve requirements.

Reflecting the slackening of private investment, new bank credit granted to the private sector in the first half of 1967 is, at $1 billion, less than one third the amount extended in the same period of 1966. The banking system is making available ample additional credit to meet public sector needs, yet still remains in a position to respond to private demand.

New fiscal plan

New Government economic policies augur well for future business. The Government completed this summer its first exercise in Medium Term Fiscal Planning, which will also be considered by Parliament at its September session. The Plan combines cuts in previously projected expenditure growth rates through 1971 (principally in defense and social welfare) and proposals for tax increases, including a 3% surcharge on personal and corporate income taxes effective Jan. 1, 1968. Even so, the Federal Government will add approximately $8 billion to its outstanding indebtedness in the period 1967-1971.

The longer range implications of this Plan for American firms with economic interests in Germany are profound. For one thing, it is evident that the public sector will be making a considerable supplementary addition to the nation's total demand through its indebtedness policy. Moreover, the Federal Government plans a shift in its expenditure pattern in favor of infrastructure investment; this will be reflected in orders to the private sector.

Neither inflationary nor recessionary dangers are ignored in the new Government role. A formidable array of new policy weapons in the recently passed Stability and Growth Law includes, for example, authorization to vary or suspend special depreciation allowances, automatic authority to borrow up to $1.25 billion in any given year to finance anti-recessionary public expenditure, the

Frankfurt duty-free fair privilege gets U.S. businessmen's salute

Commercial traditions dating back through nearly a third of the Christian Era were revived recently when the U.S. Trade Center, the Chamber of Commerce and the Frankfurt City government restaged a 14th Century ceremony that had lapsed in 1802.

Otto Schoeppler, president of the American Chamber of Commerce in Germany and vice president and managing director of the Chase Manhattan Bank in Frankfurt, is seen at left presenting a traditional cup of pepper to Frankfurt's Lord Mayor, Dr. Willi Brundert, in the Great Hall of the Frankfurt City Hall.

For more than 420 years, representatives of the merchants and authorities of Middle Europe's great trading cities, including Spreyer, Bamberg, Nuremberg and Worms, had made an annual pilgrimage to the court of the Lord Mayor of Frankfurt to request renewal of the right of duty-free admission of their goods for the annual Frankfurt Fair.

Over the centuries the event had evolved into a formal ceremony in which the visiting merchant delegates, lead by a senior officer from one of their cities and preceded by three pipers, marched into the Lord Mayor's court to present symbolic gifts and request renewal of their privileges. The event became known as the Piper's Court. The principal gift was the 10-inch-high wooden cup filled with pepper shown above. Tradition required that the same type of cup be used each year and that the three pipers, shown at right, play the same 14th Century melody.

Senior executives of U.S. companies in Germany, many of them German nationals and members of the American Chamber of Commerce in Germany took the role of the visiting merchants and Martin J. Hillenbrand, deputy to U.S. Ambassador George McGee, led the delegation. The U.S. Trade Center, which today enjoys this ancient privilege of duty-free admission of goods intended for display in Frankfurt, coordinated arrangements of the Frankfurt City Hall event. (Duties are assessed on goods displayed in the Trade Center only after they are sold).

Frankfurt officials are planning to continue the revived ceremony in future years, restoring as much as possible of its original color and pageantry as one of the more significant annual events commemorating the city's thousand-year tradition as a major trading center.

power to rapidly increase or decrease income and corporation taxes by up to 10% to meet changed cyclical conditions, and authorization to introduce an investment tax credit of up to 7½%.

In general, the Government will be taking a more active role in ensuring future economic growth, a development which implies possibly greater intervention in the market place, but at the same time greater assurance against both stagnation and the extreme swings of the business cycle.

Independent surveys of business sentiment reveal a distinct improvement in both the appraisal of the current economic situation and in expectations for the coming months.

Most optimistic

The most optimistic industries are chemicals, rubber, motor vehicles, and electrical equipment in the investment goods sector, and consumer durables in general.

Rather pessimistic forecasts were recorded for shoes, leather, clothing, and fine ceramics.

Industry as a whole anticipates no pronounced change from current price levels during the next three months.

There has been official concern at possible adverse effects on Germany's trading partners of continuing large trade surpluses. Germany has proven most cooperative to date in holding its foreign exchange surpluses in the form of dollars, although there has been some criticism that U.S. foreign investment is being

financed by Germany's willingness to retain dollars.

Germany's exports to Italy, the Communist Bloc, the less developed countries, and France are booming. On the other hand, the severest cuts in German imports are from EFTA countries and less developed countries. Not unexpectedly, imports from fellow Common Market members are suffering less than the average.

Interestingly, imports from the United States are down less than any of Germany's major individual trading partners except the Netherlands.

A revival of activity in the internal market, which is traditionally more profitable than foreign sales efforts, will probably induce German producers to devote relatively less attention to exports, thus reducing competitive pressure on the U.S. in third-country markets. At the same time, resumption of economic growth will stimulate Germany's import demand, thus providing additional scope for American suppliers.

It should be noted, however, that importers and agents are becoming more selective in adding new lines, and great attention is being paid to competitive price differentials.

Best U.S. prospects

The most attractive growth areas for U.S. exports to Germany should continue to be office machinery, photochemical products, airplanes, plastics, electrical manufactures, and precision and optical goods.

A recent U.S. exhibition on measuring, testing and control instruments for the chemical industry was a great success, revealing substantial interest in high-quality, sophisticated American equipment.

German demand is also growing rapidly in certain other markets, primarily associated with increasing leisure and new consumer tastes, which remain relatively unexploited by U.S. exporters. Among these are prefabricated housing, camping equipment, and indoor and outdoor furniture.

The convenience food market, which is just beginning to develop in Germany, offers opportunities for experienced U.S. entrepreneurs. Self-service stores, for example, have increased in number by 15% in the past year, and require specialized equipment. The frozen food market is also in a rapid phase of expansion, and in general there should be good prospects for foodstuff packaging and processing equipment.

The tourist boom continues in Germany, providing opportunities for sales of hotel and restaurant equipment. The U.S. will mount a special exhibition at the September Hotel and Restaurant Trade Fair in Munich.

Incidentally, the increasing availability of low-cost charter trans-Atlantic air travel is adding to the popularity of North America as a goal for German tourists.

A significant structural change in the construction industry, with relatively more emphasis on highway, bridge, and infrastructure construction and relatively less on buildings, may provide opportunities for U.S. suppliers of certain building materials and specialized construction equipment.

Although 1967 is expected to yield an excellent harvest, the prospects for continued high agricultural imports from the U.S. remain favorable. Paralleling German livestock expansion, American sales of soybean and oil meal should continue at recent high levels. On the other hand, the large feed grain crop may reduce imports this year, and there is a declining trend in U.S. sales of poultry and some processed foods.

German tobacco consumption continues to rise, and a maintenance of the upward trend in U.S. tobacco exports, which are popular for blending purposes, may be expected; the situation may be favorably affected by diminished supply from Southern Rhodesia.

While U.S. cotton sales have declined substantially in the past three years, it is possible that difficulties of Egyptian producers may present opportunities for American suppliers.

The rate of increase in effective wages fell from 8.5% in the first half of 1966 to 5½% in the first half of 1967, and may decline still further to roughly 3% in the second half.

However, at the present relatively low unemployment level, an upswing in economic activity could bring resumption of union demands for higher rates of wage increases—a tendency which has brought profits as a proportion of national income down from 40% to about 30% since 1959.

Moreover, due to population and social factors, the potential labor force is actually expected to decline in coming years. German industry will thus continue to face labor market tightness, and there will obviously be a premium on improvements in productivity and in capital-intensive investment.

New turnover tax

As of Jan. 1, 1968, Germany will replace its cascade turnover tax system by a uniform net-value-added turnover tax at a general rate of 10%, with half this rate applying to certain commodities—primarily food and agricultural products, printed matter, and prosthetic and orthopedic devices.

The Government currently has before Parliament a proposal to increase the general rate to 11% effective July 1, 1968.

The new uniform rate will replace the present system of border equalization taxes and export rebates, and fears have been expressed in some foreign quarters that the new tax will, in comparison with the previous system, unduly burden imports and unfairly compensate German exporters. The situation is highly complicated, and the net effects of the changeover will obviously vary from industry to industry and even from producer to producer.

Rebate to be increased

The Government has recently removed one potential source of anxiety by a proposal to increase the rate of rebate of old turnover taxes already paid on inventory in existence at the time of the change from 69% to 85%.

This proposal will be acted upon by Parliament in early September, and may serve to reduce the tendency for entrepreneurs to run down their inventories prior to the changeover.

Germany is receptive to U.S. investment, as has been officially reiterated on numerous occasions. The Government is, however, particularly sensitive on the degree of concentration of U.S. investment in the petroleum industry. Similar anxieties have been expressed with respect to the electronics industry.

Most observers favor American investments which bring an infusion of sophisticated technology and local research facilities.

Potential U.S. investors would do well to recognize the "overconcentration" syndrome, as well as increasingly consider the advisability of joint ventures with German partners.

Despite the publicized concentration in the petroleum industry, the extraordinary growth in U.S. manufacturing investment in Germany in recent years has, in fact, been spread across the entire spectrum of industrial endeavors.

In sum, despite the economic weakness of the past year, the underlying German economy is fundamentally sound, and the Government's acceptance of a responsibility to combat recession bodes well for a resumption of moderate expansion—with exceptional growth possible in specific sectors.

Nevertheless, there will probably not be a return to the phenomenal overall growth rates in GNP achieved by Germany in its post-war expansion through 1965.

Brazil's inflation reduced

Price increases being brought under control, but danger isn't over yet

Further progress toward stabilizing prices and a business upturn have been achieved under Brazil's new administration.

Business confidence is being restored. Increased production and sales, bumper agricultural crops, easier credit and lower interest rates are a welcome relief after six to nine months of business recession brought on in large part by the stabilization efforts of the preceding government.

With the new Costa e Silva Government giving great emphasis to economic development policies, near term business expectations are generally optimistic.

Increased foreign trade and investment also evidence renewed confidence in Brazil's business opportunities and political stability.

Helped by a liberalized import policy and a large volume of external aid and suppliers credits, 1967 imports are running about 15% higher than those of 1966, with capital imports accounting for much of the increase.

Extensive public and private investment plans will generate even larger volumes of capital imports over the next few years, notwithstanding Brazil's growing self-sufficiency in many industrial lines as well as consumer goods.

If U.S. exporters are to benefit fully from Brazil's expanding market, especially in capital goods, it will be necessary to meet the challenge of increasingly liberal credit terms being offered by other suppliers.

One of the most favorable Brazilian developments in 1967 has been the reduction in the rate of inflation, Brazil's most pernicious economic problem of recent years. In 1963-64, the annual rate of inflation reached 80-90% and actually soared as high as 140% in the final months of the Goulart regime.

Top priority

The Castello Branco Government gave top priority to the gradual but steady reduction of inflation. By reducing the central government's cash deficit to about 9% of expenditures while keeping a tight rein on bank credit and on wage increases, the Castello Branco Government kept the increase in the money supply down to only 17% in 1966, compared with 75% in 1965.

The full effects of this excellent stabilization effort were not reflected in the behavior of prices until this year. Partly as a result of good 1967 harvests, the wholesale price index rose only 13%, and the cost of living in Rio de Janeiro 19% in the first seven months of 1967, compared with 27% and 29% during the same months of 1966.

The total increase in wholesale prices for the year should be only about 25%. In the light of Brazil's recent history of inflation, this is a real achievement.

Constant struggle

For Brazil, however, the stabilization effort is a constant struggle. There is some concern that with the greater emphasis which the present government is giving to economic growth, further progress toward stabilizing of prices may be slow.

Faced with a serious business recession on assuming office, the new administration took measures to ease the tight credit situation and stimulate demand in order to promote a business upturn. The money supply increased by 20% in the first half of 1967, owing primarily to a much larger than anticipated federal deficit.

With the business upturn achieved, the government has reversed its earlier expansionist policies. Recent statements by the Finance Minister targeting the annual deficit at $280 million indicate there will be a substantial cut in expenditures in order to achieve a budget surplus of several hundred million new cruzeiros in the second semester. If the government is successful in this program, it may be possible to hold the expansion in the money supply in the second half to around 10 to 15% while allowing adequate credit expansion to the private sector to finance a rising level of economic activity.

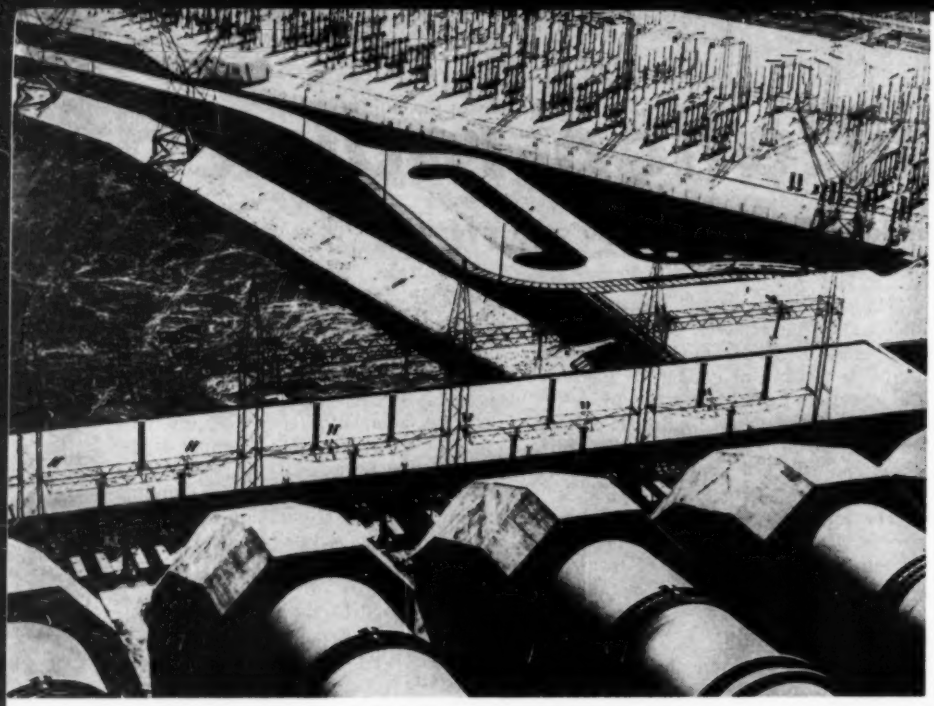
However, with monetary expansion of some 30% or more anticipated for the year, it is evident that the task of stabilization in Brazil is far from finished.

On the wage front, annual adjustments in federal and minimum wages were held to 25% early in the year. Adjustments of union wages over the next few months are expected to result in roughly comparable increases.

The worst of the recession of late 1966 and early 1967 is over. A drop in demand for both intermediate and finished manufactures initiated the downturn in the third quarter of 1966. Business failures and the volume of notes protested hit all time highs.

By the second quarter of 1967, business was on the upturn again. Bumper crops, a liberal agricultural support price policy, and an increase in government spending all contributed to an increase in demand. Considerable liquidity which developed in the banking system during the first quarter, together with the easy credit policy followed by the monetary authorities, resulted in a strong expansion of commercial loans in April and May and drove interest rates down from 3 to 3.5% per month (when available) to 2% for

BRAZIL IS SEEING THE LIGHT at the end of the inflationary tunnel which has been the nation's top economic problem in recent years. Price increases are being held at comparatively modest levels, but experts say the anti-inflation campaign will be a long-term struggle. (World Bank)



HEAVY IMPORTS OF CAPITAL EQUIPMENT for development projects will be a continuing Brazilian need in coming years. This is part of the Furnas hydroelectric project, Latin America's largest (World Bank).

prime borrowers and 2.5% to 3% on the average.

Working capital resources of the business community were further increased when the government permitted firms to delay the remittance of federal excise taxes for an additional 30 days.

There was a steady, across-the-board improvement in production and sales in the second quarter and this trend has, if anything, tended to accelerate during the third.

The pick-up in industrial production was unmistakable. Steel ingot production by the four major mills increased from 540,000 metric tons in the first quarter to 631,000 in the second. Motor vehicle production rose to 19,000 units in May and 21,000 in June and July.

Factory sales in the industrial center of Sao Paulo during the second quarter increased an estimated 14% in real terms over low first quarter levels. Increases were particularly evident in consumer lines, such as clothing and plastic products.

The recuperation was so strong, in fact, that despite the low first quarter, the level of industrial production in the first half apparently exceeded by a small margin the very satisfactory level of the first half of 1966.

Retail sales also rose in the second quarter and by June-July had reached generally the levels attained last year. Interest rates firmed in July as crops, including coffee, were being financed and loan demand from the business sector picked up with the business upswing.

Although the rate of business failures continued high, collections were rated fair-to-good in July and August and manufacturers' inventories tended to decline.

Soundings in the business community indicate a fair amount of optimism for the remainder of 1967. Decreasing government outlays will have a dampening effect in the last quarter, if they materialize to the extent presently planned. However, this will probably be offset by rising construction activity as the National Housing Bank moves its low cost housing program into high gear, utilizing some $100 million accruing to it under unemployment compensation legislation enacted in 1966.

It has also been a good year for Brazilian agriculture; the overall level of agricultural production has risen an estimated 10%, compared with an 8% drop in 1966. This excellent harvest has helped stimulate the business recovery by increasing consumer demand, and contributed to the fight against inflation by stabilizing the price of food and other farm products.

The Costa e Silva Government has indicated it will give high priority to the agricultural sector in its development program. The minimum prices which it has announced for 1968 food crops range from 12 to 45% above the prices announced a year ago, and have been received with satisfaction in farm circles.

The barometer of nationalistic feeling is back at generally normal levels, following an unusually low reading throughout most of the post-1964 revolutionary period, and the abnormally intense nationalism of the Goulart years. Popular fears are often expressed today regarding the influence of foreign capital in national life. There is little reflection of these fears in official actions, however, and the position of foreign enterprise in Brazil remains basically unaltered under the present government.

The official position in this regard can best be expressed as an attempt to equalize opportunities between national and foreign-owned companies, primarily by facilitating access of Brazilian firms to credit facilities more in line with those available to internationally-based corporations active in Brazil.

Favors private enterprise

The new administration has stated plainly and emphatically that it will encourage the private sector to take the lead in economic expansion, cutting back the role of the government in the economy. It has pledged to reduce the level of public expenditures and their proportion in relation to the gross domestic product (GDP), to restrict new public investment largely to infrastructure, to reduce the transfer of funds from the private to public sector by avoiding tax increases, and to create conditions of increasing private sector liquidity to assure adequate growth.

In the financial area, the new government in effect granted a 30-day interest-free loan to industrial producers (by delaying federal excise payments to that extent) and has taken a liberal position on official and commercial bank credit expansion to the private sector.

So far as public participation in the productive process is concerned, the new administration has permitted private shippers to share certain international routes formerly reserved to the government shipping company.

Its only contrary action to date has been the submission to Congress of a bill to nationalize workmen's compensation insurance.

There are very few hard figures on capital investment in Brazil. One estimate puts the overall level of gross fixed investment in 1966 at $3.1 billion—13 to 14% of gross domestic product—with the government share accounting for 60%. The trend of investment has been upward since 1965 but it remains below the 16 to 17% of GDP realized during most of the decade of the fifties.

Foreign capital accounts for a significant portion of total private investment. Major U.S. firms with projects announced

or already underway in the last two years include Ford, GMC and Chrysler in the automotive field, Phillips and Union Carbide in petrochemicals, and Alcoa and Hanna Mining in metals. The level of direct foreign private investments fell steeply in the early 1960s but has begun to rise again.

Because of a substantial time lag, perhaps two to four years, between a change in investment conditions and the actual implementation of investment projects, this level should be sharply up in 1968 and 1969.

Applications for investment guarantees under the U.S.-Brazil investment guarantee program exceeded $100 million in prospective new investments in the first half of 1967.

Investment in Northeast

A final and important element in the current Brazilian investment picture is the government's massive incentive program for private industrialization of the poverty-stricken Northeast. Under this program, Brazilians may apply up to half of their income tax liabilities in approved projects in the Northeast, or the Amazon.

For many projects, additional funds are made available to the investor in the form of loans from the Bank of the Northeast of Brazil on highly advantageous terms. Profits from these investments are exempt from income taxes for a number of years and customs duties are waived on imported machinery.

The program is just now at the take-off stage. Approved projects by the end of 1967 are expected to total $700 million, of which less than 10% actually will have been disbursed.

Imports rose strongly in 1966 to about $1.5 billion, slightly above the good levels achieved in 1960-63 and about 30% above the low import years 1964-65. Data for the first five months indicate that 1967 will be even better—perhaps 10-15% above last year.

Two factors account for this pick-up. First is the resumption of a high level of internationally financed development projects, which by 1966 had begun to show up as imports, primarily of capital equipment.

The second major factor has been the sweeping import liberalizations enacted by the Brazilian Government. Foreign exchange requirements were progressively liberalized in late 1965 and throughout 1966, which substantially cheapened the cost of importation. In March 1967 a new, substantially lower tariff went into effect and the remaining exchange restrictions on non-essential imports were removed. The cumulative effect of these actions has been to lower the weighted average level of protection from an estimated 60% in 1964 to 20% today.

The government cracked down on flight capital and exchange speculation in August by prohibiting purchase of foreign exchange in the manual market except for travel. Since early 1965 Brazilians had been permitted to purchase exchange freely at a rate pegged by the government.

Rumors to the contrary, this action does not appear to presage an imminent devaluation of the cruzeiro or further exchange restrictions. It will not stop exchange speculation either, although it will make it more costly. A black market has already developed in which the dollar sells at a small premium over the official rate of 2.70 new cruzeiros per dollar.

The new regulation will not affect exchange closings for importation or legal remittances of any type.

Brazilian exports have done well the last two years, reaching a record $1.75 billion in 1966, and the nation has enjoyed the rarity of fairly comfortable trade and payments surpluses. Exports through July were 5% below the comparable period last year, primarily due to a drop in coffee sales. Exports for the year are expected to decline slightly from their record 1966 level.

One significant trend is the dramatic increase in Brazilian exports of manufactures, which should account for almost 10% of total 1967 exports, compared with 6% in 1966 and 3% in the early '60s. Even with the increase in imports this year, Brazil should enjoy a trade surplus of $200 to $250 million and a balance of payments surplus slightly below the $90 million level achieved in 1966.

The U.S. Investment Guarantee Agreement with Brazil adds an element of stability for U.S. investors and the new US-Brazil tax treaty will constitute another favorable element when ratified. With the improvement in Brazil's balance of payments position, foreign investors are assured of an adequate level of foreign exchange for royalties, profits and other income remittances.

Brazilian imports of capital equipment increased from a low $245 million in 1965 to $382 million in 1966, 25% of the total import market. On the basis of current data, capital goods imports will increase 13 to 15% in 1967, reaching $430 million, over 26% of the 1967 import market. Over the next five years, total imports will probably increase at an annual rate of 6 to 10%, with increases in capital goods almost double this rate.

By 1970, Brazilian imports of capital goods should be in the $600 to $700 million range or about one third of total imports of around $2 billion.

This trend is supported by an impressive array of government and privately financed projects which will be coming on stream over the next few years. It is estimated that local machinery equipment manufacturers will satisfy 70 to 80% of this demand and capital imports the remaining 20 to 30%. Major government projects in the transportation field over the next five years have a $1 billion price tag and should generate imports of at least $180 million in highway construction and maintenance equipment, $75 million in locomotives, freight cars and railroad equipment and $30 million in port improvement and handling equipment.

Big projects in the electric power field should reach the $800 million level, generating $200 million in capital imports. The Brazilian aircraft market over the next five years will be in the $100 to $150 million range. Water and sewerage plans, calling for $70 million in capital goods imports, will soon be underway and forthcoming telecommunications projects should add another $80 million to import requirements.

Steel industry expansion should produce $500 million in new investments, generating capital goods imports of around $200 million and iron ore, metals and petrochemical projects should create a $150 million import market. Proposed investments in cement, agro-industries and light manufacturing are also substantial.

In summary Brazil offers a substantial near-term market for U.S. exporters of all types of capital equipment.

U.S. import share high

The U.S. is Brazil's leading supplier, with a 30-35% share of the import market, followed by the EEC (particularly West Germany) and LAFTA (primarily Argentina) with 15 to 18% each. However, the U.S. share has been on the downward trend in recent years, averaging 31.1% in 1962-65, and would have fallen even further had not the declining U.S. competitiveness in manufactures been offset to some extent by increased exports of raw materials and foodstuffs.

This picture changed dramatically in 1966, when imports from the U.S. rose to $590 million—39.4 percent of the import market.

Much of the 1966 increase is attributable to the effects of the U.S. foreign assistance program. U.S. exports going into Agency for International Development (AID) projects in Brazil were

valued at $40 million, and program loan exports totaled $186 million.

The Program Loan, a 40-year loan given the Brazilian Government to finance imports from the U.S., is particularly significant. The bulk of the funds are available to importers of American products in general on a cash basis. A portion, $40 million in 1967, has been set aside for repassing to importers of U.S. capital equipment on intermediate credit terms.

Through May the U.S. had a 36% share of the import market, with the slight decline attributed to a much lower level of wheat sales, reduced availability of Program Loan funds early in the year, and the effects of the recession which cut particularly into some intermediate goods which the U.S. principally supplies.

U.S. exporters of industrial intermediates—chemicals, newsprint, copper and other metals—can anticipate a 4 to 8% annual growth over the next five years.

Even some lines of consumer goods imports should pick up noticeably in 1967-68 with the new tariff liberalization, although Brazil is virtually self sufficient in consumer lines and the longer term trend shows little prospect for growth.

The quality of American products is well recognized in Brazil, but U.S. exporters face heavy price and credit competition from Europeans (both East and West) and Japan. The credit competition for industrial and transportation machinery and equipment is particularly strong. Brazilian businessmen must borrow at high interest rates and the ability of foreign suppliers to furnish attractive credit is usually decisive.

The U.S.'s long-range future in this expanding market hinges in large part on the willingness and ability of U.S. exporters to match the attractive credit terms offered by competitors.

Korea continues surge; U.S. sales outlook promising

GNP growth expected to exceed 8% for fourth straight year

The Korean output of goods and services in constant prices grew by a record 13.4% in 1966. Production has continued to expand at roughly the same pace during 1967, and this will be the fourth consecutive year in which the growth in real gross national product (GNP) has exceeded 8%. This rapid growth is modifying traditional trading patterns and Korea is seeking to strengthen investment and commercial ties around the world.

The Korean Government is taking steps to maintain the rapid pace of development while holding inflationary pressures in check through increased public and private saving. Programs are underway for tax reform, trade liberalization, tariff reform, improved project selection, and increased domestic savings.

The Government is making serious efforts to identify potential bottleneck sectors in the economy, such as power and transport, and to expand capacity in these sectors before they impede further development.

The main implications of these trends for the United States in 1967 and 1968 are:

- Korea is now particularly receptive to new commercial and investment ties with other countries, including the U.S.
- American and other private investors can find interesting opportunities in a wide variety of lines both to serve an expanding Korean domestic market and also to help fulfill high Korean export goals. Opportunities for small to medium-sized labor-intensive investments are particularly good.
- U.S. businessmen can sell more to Korea, but competition is keen. U.S. exports to Korea should continue to increase in absolute terms—particularly those financed by Korean foreign exchange—due to the high Korean growth rates and the sharply rising import curve.

However, U.S. business will have to work very hard to maintain its present share of the total market. This is true mainly because of the declining level of U.S. AID-financed commodity import programs, certain competitive advantages of the Japanese, and the desire of various countries to increase their sales to the rapidly expanding Korean market.

Copies of the full semi-annual Economic Trends Report from which this telegraphic summary was prepared will be available shortly from the Clearinghouse for Federal Scientific and Technical Information, Springfield, Va. 22151.

Send check for $1.50 directly to the Clearinghouse or to the nearest Department of Commerce Field Office.

CHILE BUYS FOUR BOEING JETS

The Boeing Company of Seattle, will deliver four 727 jet airliners to Chile Airlines in 1968 at a cost of $26 million.

Continued steady, unspectacular gains seen for Australia

'Good for business' budget contains no new tax proposals

The Australian economy appears set for another year of steady although not spectacular growth, with some of the sluggishness which characterized important sections last year shaken off.

Some concern has been expressed at the increasing tempo of rising consumer prices during the past quarter, but present indications are that the economy will continue to grow without the emergence of disruptive inflationary pressures.

Demand is growing quite vigorously, notably in government and consumer spending.

Prospects for increasing exports are good, although wool and sugar prices are unsatisfactory. The demand for imports is increasing moderately along with an improving economy and rising defense commitments.

Crop prospects, especially wheat, look good, and the drought problem appears likely to be limited to particular areas.

The annual Commonwealth budget introduced Aug. 15 includes no new or increased taxes, aims to concentrate a greater portion of economic expansion in the private sector, with defense expenditures increasing but at a slower rate, and has been described as "good for business."

The implications of these trends for the United States in 1967 are:

- Australia will continue to require heavy inflow development capital and bank loans from U.S. and elsewhere;
- Government will favor raising of funds abroad by U.S. firms established in Australia rather than calling on the limited domestic capital market; and
- Demand for U.S. machinery and other capital equipment will increase with the improving economy, but keen competition from other principal suppliers must be expected.

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Mideast war caught Lebanese economy in weakened condition; prospects remain uncertain

New crisis came on heels of shock caused by Intra Bank closure; nation may lose position on main tourist routes to Holy Land

Lebanon's second quarter economic outlook was dominated by the Arab-Israeli war, which broke out on June 5. Although the shooting was over within a few days, the war set off shockwaves which were still buffeting the Lebanese economy six weeks after the end of the second quarter.

Unfortunately for the Lebanese, the war came when their economy's ability to withstand shocks was still weakened by the after effects of the crisis which followed the closure of Intra Bank in October, 1966.

Tourists fled the country as the war approached, and those with reservations for the summer canceled them. The loss of a season's revenue was serious enough, but Israel's seizure of the Old City of Jerusalem and her continued occupation of other holy sites formerly under Jordanian administration raised the possibility that Lebanon would no longer be on the main tourist routes from Europe and America.

The consequences this could have for an economy which derives 8-9% of its gross national product and a large share of its foreign exchange from tourism were truly disturbing.

Construction came to a stop with the war, and it picked up very slowly thereafter. The number of new construction starts had been declining ever since the beginning of the Intra crisis, and this decline was accelerated by the war. The forecast for both the construction and construction supply industries is therefore rather bleak.

Farm exports hold up

Agriculturally it was a good spring, and exports of both agricultural and industrial products held up well in the immediate aftermath of the war.

However, fears were expressed that the closure of the Suez Canal and declining purchasing power in nearby Arab states would soon be reflected in a falloff in Lebanese exports. Although sales of citrus fruit were at near normal levels, great concern was being expressed about marketing the next apple crop.

Trade and commerce came to a standstill in early June, and retail demand was still only 50% of normal a month later. Credit was tight and overseas orders were down. Declining purchasing power was expected to keep retail demand at below normal levels in the near future, but there was hope that an increase in transit trade resulting from the closure of the Suez Canal might help to offset the decline in Lebanon's own import trade.

Although panic was avoided and the exchange rate held up reasonably well, some bankers were expressing fears for its future stability. New legislation was passed to strengthen the banking industry, but it was clear that, helpful as the new legislation might prove to be, the banks' future would be determined to a much greater extent by political developments.

The Government took measures to prevent unemployment and was generally fairly successful in this effort. However, many of the measures were obviously temporary, and it appeared likely that unemployment would increase during the remainder of the year as the effects of the slowdown were felt more sharply in construction, industry, transportation and commerce.

Some of the unemployed will be reabsorbed into village life, some of the more skilled workers may find work in the oil states, and overseas relations may increase remittances to help others. But it is not clear if these safety valves will prove adequate.

During the next few months, the Government is going to be called upon to play an ever increasing role in the regulation and direction of an economy which is so unique that many of the standard guidelines and remedies simply do not apply. It has to do this within a framework which will include demands that it support the economic policies of both progressive and conservative elements in the Arab camp, as well as the conflicting demands of competitive domestic economic groups.

However, the Lebanese have manifested a gift for survival and if area political developments do not deteriorate further, Lebanon may emerge from the testing period of the next six to nine months with an economy perhaps slightly less affluent but more stable than in September 1966.

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Haitian economy still on downtrend

U.S. exporting essentials there on small scale

Deterioration of economic conditions in Haiti continues. Production in agriculture, industry and mining shows no significant movement one way or the other, except for sisal, where production has virtually ceased.

High unemployment prevails and there is large scale emigration.

Money supply is short, credit is tight and business is poor. Government expenditures outstrip revenues but little goes to development.

Servicing of public debt lags, and no large scale foreign assistance appears in the offing.

Foreign exchange reserves are exhausted, and possible discontinuance of IMF support coming at the same time as a possible non-backed monetary expansion may require the government to institute exchange controls.

In the face of this, imports from the United States will be maintained due to the generally essential nature of the products bought. No new bilateral U.S. assistance, but a continuation of the present small programs, can be expected.

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U.S. trade with Eastern Europe increased in first quarter of 1967

Quarterly export control report reflects continuing heavy trade in agricultural products

U.S. exports to Eastern Europe amounted to $71.8 million in the first quarter of 1967, compared with $59.8 million in the previous quarter and $56.6 million in the comparable 1966 quarter, with agricultural commodities accounting for $51.2 million, according to the Department of Commerce's 80th Quarterly Report on Export Control.

First quarter imports amounted to $53.6 million, compared with $47.4 million in the previous quarter and $40.4 million in first quarter 1966.

Of the first quarter exports, Poland received $24.8 million; the USSR, $20.1 million; East Germany, $8.3 million; Czechoslovakia, $8.2 million; Romania, $6.1 million; Hungary, $2.9 million; and Bulgaria, $1.3 million.

Principal exports to Poland were soybeans and soybean oil cake and meal, rice and corn, except seed. Corn, except seed, was the principal export to East Germany, and hides and chemicals to the USSR.

Poland accounted for $25 million of the U.S. imports, principally in canned hams and preserved pork. Palladium, rhodium, diamonds and other gems; chrome ore and magnesium were the principal U.S. imports from the USSR. The imports represented 8% of total U.S. imports.

The Eastern European countries continued to show interest in the acquisition of technical data relating to chemicals and petrochemicals; ferrous and nonferrous metallurgy, and metal working machinery and processing.

License approvals

License applications to export U.S. commodities valued at $30.4 million to Eastern European countries were approved by the Commerce Department in the second quarter of 1967. This compared with $41.9 million approved in the first quarter this year, and $41.6 million in the second quarter last year.

Principal destinations of the commodities licensed for export were East Germany, $10.2 million; USSR, $6.8 million; and Czechoslovakia, $5.6 million.

Agricultural commodities accounted for $8.4 million of the total approved, with East Germany, Bulgaria and Hungary being the principal destinations. Other principal commodities were chemical products and textile machinery for the USSR, and electronic computers, data processing machines and peripherals, largely for Czechoslovakia, East Germany and Poland.

Included among the approved license applications were those for the temporary export of commodities valued at $5.9 million for trade fair display, demonstration or testing by customers in Eastern European countries. Principal destinations were Hungary, $1.6 million; Czechoslovakia, $1.4 million; and the USSR, $1.3 million.

Temporary exports approved for these purposes are identified for the first time in this report to provide more definitive export licensing information. Previously, data on permanent and temporary licenses were consolidated. As has always been the case, no commodities approved for temporary export may be sold abroad without prior authority from the Department of Commerce in each instance. Otherwise, the commodities must be returned to this country.

License applications rejected for the second quarter amounted to $1.6 million, composed almost entirely of sophisticated equipment for the manufacture of audio magnetic tape.

The report also summarizes actions taken by Commerce with respect to security export controls and short supply controls over exports of copper and nickel.

Copies of the Eightieth Quarterly Report on Export Control are available at 25 cents from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402, or from any of the 42 U.S. Department of Commerce Field Offices.

Report says end to duty on rugs won't hurt U.S. producers

Tariff Commission finds that only marginal producers would suffer

The U.S. Tariff Commission, in a report to the President, finds that the producers of Wilton and velvet carpets and rugs, in the aggregate, would be little affected by termination of the increase in duty on such carpets and rugs imported into the United States.

There are among the producers of Wiltons and velvets, however, a few firms at the margin of profitability, which together employ less than 10% of the workers in plants making such products, that would suffer from any increase in competition that might follow a duty reduction.

The Commission's advice was included in its report of an investigation submitted to the President to assist him in determining whether to allow termination of the increase in the rate of duty on Wiltons and velvets imposed in 1962 under the escape-clause procedure of the Trade Agreements Extension Act of 1951.

Automatic termination

The Commission's investigation was conducted under the provisions of section 351(d)(3) of the Trade Expansion Act of 1962. That act provides that increases in import restrictions imposed under the 1951 act shall terminate automatically on October 11, 1967, unless further extended by the President following petition by the domestic industry and investigation and advice by the Tariff Commission under section 351(d)(3).

Copies of the Commission's report are available upon request as long as the limited supply lasts. **Write:** to the Secretary, U.S. Tariff Commission, 8th and E Sts., N.W., Washington, D.C. 20436.

Tariff hearing postponed

The public hearing to be held by the U.S. Tariff Commission in connection with certain barbers' chairs and parts thereof has been postponed from Oct. 31 until 10 a.m. E.S.T. on Nov. 7.

French decree requires profit sharing for firms with more than 100 workers

Amounts paid out to employees will be tax deductible for firms; employee/worker committees can choose from three distribution methods

The French Government has established an obligatory profit sharing plan affecting the employees of all private profit making enterprises in France employing more than 100 persons. The plan will go into force on Jan. 1.

French firms employing 100 or more persons account for approximately half of the private sector labor force. It is not yet known which Government-owned industries will participate in the profit sharing plan.

The amount of profits to be shared will follow a determined procedure. In brief, the workers' share of profits is to be calculated according to a formula based on the percentage contributed by labor to the total value added by the company.

Prior to calculating the amount going to their employees, however, firms are permitted to deduct from taxable profits the 50% corporate income tax as well as a 5% return on invested capital, including legal reserves.

Other aspects of the new law permit firms to deduct for tax purposes the amount distributed to workers and an equal amount which can be used for reinvestment. However, if a firm decides not to take advantage of the tax credit for investment within a period of one year, the sum set aside for this purpose will revert to taxable income.

Employers and employees will form company works committees (comites d entreprise) to select the method by which profits will be distributed. The three methods allowable under the law are:

- Shares of stock for firms whose stocks are traded on the French stock exchange. In a parallel move an amendment to the Company Law of July 1966 has been issued permitting firms to buy back their own shares traded on the market;
- Bonds issued by firms as evidence of debt to their employees; and
- Shares in a new mutual fund from which participating firms may borrow to finance new investment.

The shares or claims acquired by workers cannot, in principle, be liquidated for five years. An exception is made when agreement cannot be reached between employers and workers. In this instance, the law prescribes that the second of the above options must be adopted. When this is the case, employee claims in all instances will be available for investment in the firm or in a government managed mutual fund.

Preliminary estimates indicate that some 70,000 firms in France (18% of the total) report no profits and would distribute nothing to their workers under the plan. An even greater number of firms earn profits less than the 5% return on capital permitted under the law and would likewise distribute nothing to their employees.

Most observers in France believe that labor-intensive firms will be hit harder by the new law, as labor's contribution to value added will of necessity be greater. Conversely, capital-intensive firms will have to distribute less to their workers as value added by labor will be proportionately less and the 5% return to capital will be greater.

The preceding information may be used to amend that given in OBR 66-76, *Establishing a Business in France.*

Peru's Central Bank allows exchange rate to fluctuate

The Peruvian Central Bank ceased to support the exchange rate for the Peruvian sol at 26.82 to the dollar as of Sept. 1. This action resulted in a depreciation of approximately 35% in the sol with the rate at 35.00 soles to the dollar on Sept. 8. The Central Bank announced that until exchange speculation has stopped, the Bank would permit the exchange rate to fluctuate freely and find its own level.

The action by the Central Bank will further dampen Peruvian imports which dipped 11% in June from the previous month, when sharp increases in customs duties were imposed upon numerous commodities.

At the same time that Peru went to a freely fluctuating exchange rate, a retention tax was imposed upon exports in the amount of 40% of the increased sol value of exports following depreciation. Retentions are to be made by the customs authorities and will be based on the difference between the exchange rate published by the Superintendency of Banks on the day prior to the specific export transaction and the Aug. 31 exchange rate of 26.82 to the dollar.

Argentina sets up foreign investment promotion service

Various incentives offered to attract private capital

Argentina has established a Foreign Investment Promotion Service in the Ministry of Economy and Labor. The principal functions of the new service are to promote and to evaluate proposals for foreign investment in Argentina which are prospectively eligible for benefits (tax and customs exemptions) provided under various industrial promotion laws. Heretofore evaluation was done in the Ministry's Industry Secretariat which still has this responsibility for investment projects involving Argentine capital.

In the introductory part of Decree No. 5364 of July 26, the Argentine Government states that private investment should be promoted vigorously "within a rational system of priorities" and with adequate incentives. Also the need for the technological and capital contributions of foreign private investment is emphasized.

The new service is intended to speed up consideration of foreign investment proposals and to coordinate the necessary decisions toward obtaining rapid processing and activation of approved foreign investments.

A limited number of copies of an informal translation of Decree No. 5364 are available on a loan basis from the American Republics Division, BIC, U.S. Department of Commerce, Washington, D.C. 20230.

Unless noted otherwise, each opportunity listed in this section is identified by a project number. Firms interested in following up a proposal can obtain the name and address of the foreign firm along with any additional information which may be available by writing: Office of International Investment, BIC-876, U.S. Department of Commerce, Washington, D.C. 20230. Requests should be under company letterhead and must identify the particular opportunity by its project number.

The designation WTD following the project number indicates that a World Trade Directory Report containing financial and business background information on the foreign firm is available for $2 from the Bureau of International Commerce, BIC-916, U.S. Department of Commerce, Washington, D.C. 20230.

Special assistance is available to firms interested in joint venture or licensing arrangements abroad. Call Area Code 202, WO. 7-3786 or write: Office of International Investment, BIC-878, U.S. Department of Commerce, Washington, D.C. 20230.

Five British manufacturers seek output of U.S. equipment, goods

Licenses sought for vinyl coated products, special valves, conveyor systems, incinerators, photographic chemicals

Five British manufacturers are seeking licenses to produce vinyl coated products, "globe" type control valves and associated operating gear, conveyor systems, metal products, incinerators, and photographic chemicals.

- A manufacturer of expanded vinyl and solid vinyl coated fabrics is interested in a licensing arrangement with a U.S. producer of similar materials. The British company wants to make such products as: 1) poromeric synthetics, i.e. breathable synthetics for footwear; 2) breathable vinyl coated fabrics for automobile and domestic upholstery and clothing; 3) vinyl coated fabrics with special properties or finishes for use in making handbags, luggage, and fashion articles; 4) vinyl coated wall coverings, both paper and cloth backed, with unusual surface effects and good natural fabric textures.

Established in 1946 and employing about 150, plus 10 traveling salesmen, the company distributes its products throughout the United Kingdom. The firm claims to have production equipment for cloth processing including dying, compounding PVC pastes, embossing, and photogravure printing. Full warehousing and transportation facilities are said to be available. Project 7885. WTD.

- A license to produce high quality "globe" type control valves and associated operating gear is sought by a manufacturer of butterfly valves for control use in the chemical industry.

The British company plans to establish an additional plant and provide the necessary machinery to manufacture the new product. The firm claims it can develop additional business by offering a broader range of valves. Project 7881. WTD.

- A manufacturer of mechanical handling equipment, conveyors, elevators and semi-automatic spray machines seeks a licensing or cross licensing arrangement with a U.S. manufacturer of similar equipment. The British firm wants to produce chain belt, slat, and overhead conveyors.

Established in 1961, the company reports that it has design and drawing office facilities for the development of new types of conveyors. Project 7883. WTD.

- A medium sized industrial engineering firm seeks a license to manufacture any products requiring fabrication or machining of ferrous and non-ferrous metals. These could include food and agricultural machinery, steel-making and railway equipment, and equipment for electric generating plants, quarries and mines. The British firm is also interested in making refuse incinerators suitable for use by hospitals, hotels, offices, hotel buildings and industrial facilities.

The firm claims to have sales and engineering contacts with electrical generating stations, steel works, and cement plants throughout the U.K. It has approximately 50 employees. Project 7884. WTD.

- A London producer of photographic chemicals is interested in a licensing arrangement with a U.S. firm. The British firm wants to manufacture additional photographic chemicals and/or compound photographic chemicals to provide processing solutions for all the usual photographic processes.

The British company currently manufactures special coatings, light sensitive resists, processing solutions for the graphic arts and certain intermediates for the pharmaceutical and dyestuffs industries. In addition, the firm imports and distributes such photographic equipment as cameras and projectors.

Reportedly, the company presently holds a license from a U.S. firm for the manufacture of a light sensitive resist for the etching of zinc plates. Project 7882. WTD.

Maltese shoe manufacturer proposes joint venture

Established in 1949, a manufacturer of shoes and such other leather goods as ladies handbags and traveling bags seeks to expand production through a joint venture with an experienced U.S. footwear producer.

The Maltese firm, in addition to its domestic retail and wholesale operations, exports its products to the U.K., Libya and Sweden. Recently, the company has installed new machinery valued at $136,000. It has approximately 120 employees and plans to add another 50 within the next three months. Reportedly, the firm is also building a modern 18,000 sq. ft. plant.

U.S. footwear manufacturers interested in expanding their operations to Malta and neighboring countries in the Mediterranean area may find this opportunity of interest. Project 7890. WTD.

Restaurant franchise sought by Hong Kong company

A Hong Kong importer and exporter is interested in obtaining a franchise from a U.S. firm to operate a fried chicken restaurant. The firm, established in 1936, claims annual sales of about $50,000 and reportedly enjoys a highly favorable reputation in the local business community. For complete details of this proposal, interested investors are asked to **write:** American Consulate General, 26 Garden Road, Hong Kong. WTD.

U.S. production and distribution sought for German, Swiss, New Zealand items

Licensees offered rights for pipe cutting machine, hardware for doors and windows, machinery for treating paper and textiles

Manufacturers in Germany, Switzerland, and New Zealand are seeking U.S. licensees to produce and distribute their products in the United States.

The products include machinery for treating paper, foils, textiles and rubber, a pipe cutting machine, door and window hardware, and high pressure hydraulic lifts for automotive purposes.

For additional information concerning these products and the names and addresses of the manufacturers **write:** Office of International Investment, code 874, Bureau of International Commerce, Department of Commerce, Washington, D.C. 20230. Reference should be made to the appropriate File number assigned each opportunity listed below.

Machinery venture

• A Swiss firm which has the technological and engineering know-how, and the machinery necessary for coating, drying, gelatinizing, vulcanizing, laminating, rubberizing, varnishing, impregnating, and coloring paper, foils, textiles or rubber, would like to enter into a joint venture arrangement with a U.S. firm through the establishment of a plant in the United States.

The size of the plant for the combination spreading, drying, coating and heating processes should measure about 10,750 sq. ft. with room for expansion.

The Swiss firm offers an active or silent partnership arrangement with 30 to 50% ownership for the firm or person investing about $20,000. The initial cost of the plant and facilities is estimated at about $80,000. **File 1529.**

Pipe cutting machine

• A German manufacturer of machinery desires to enter into a licensee arrangement with a U.S. firm to manufacture a pipe cutting machine, which makes use of a flame in the cutting process.

The company says the machine, designed to cut pipes with thickness of 1-3/16", is capable of forming square, mitred and shaped cuts, with or without beveled edges for welding purposes, and eliminates the use of templates and masters, and marking off from drawings.

The machine consists of a fabricated steel casing containing the drive plus a sine transmission unit, an oscillating transmission unit, a headstock and two concentric-gripping chucks. The pipe holding chucks are driven by a stepless variable transmission off a step-change gear box. The sine and oscillating transmission units are driven by a further step-change gear box synchronized with the chucks, and when the drive is switched on and a burner activated, the machine operates automatically.

It is reported that major advantages lie in the machine being transportable, and in the burner speed being automatically constant to insure consistent and clean cutting of pipe. **File 1530.**

Hardware

• A manufacturing firm in New Zealand desires to arrange a licensee agreement with a U.S. firm for the manufacture of door and window hardware.

The door hardware consists of aluminum stripping with a rubber insert for the bottoms of doors leading to the outside, and a latch for interior doors.

The window hardware consists of a hand operated window adjuster or operator, and aluminum friction stays for awning-type windows. The design of the friction stay mechanism, which is to be used with sashes having a flange extending over the face of the frame, enables large sashes, up to 48" in depth, to be cleaned from the inside. The manufacturer claims that simplicity in manufacture enables the fittings to be made of aluminum at approximately the same cost as for existing steel friction stays, and that they overcome the faults in existing fittings which depend upon a sliding shoe for friction.

The fittings are covered by patent applications in nine countries including the United States. **File 1531.**

License to make fine chemicals sought by Scottish manufacturer

A Scottish manufacturer is interested in a licensing arrangement to expand its present line of alkaloids and fine chemicals. The Edinburgh firm currently produces pharmaceutical products for sale in bulk and makes material for use in the food and toiletries industries.

The company operates a plant covering seven acres, half of which is said to be available for new development. The firm has about 270 employees of whom 20 are reported to be graduate scientists. Good transportation facilities are readily available. The company reportedly exports over 50% of its total output. Project 7886. WTD.

French chemical producer wants to broaden line

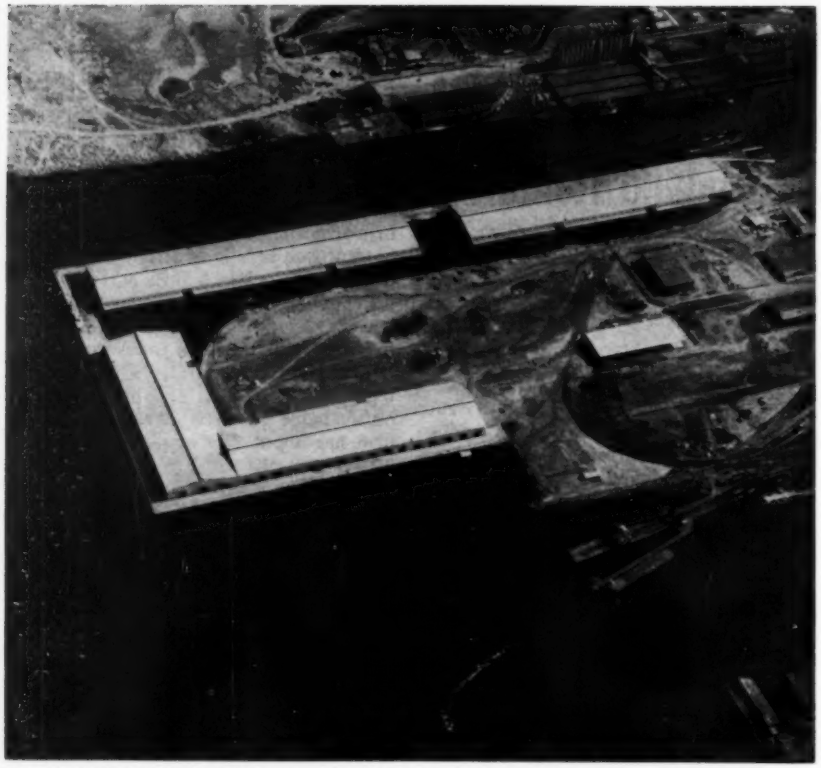
A large manufacturer of industrial and agricultural chemicals is interested in a license to produce new chemical specialties. The firm, located in a suburb of Paris, currently makes surface treatment chemicals for metal, chemicals for water and fuel treatment, rat poison, weed killers, basic chemicals for detergents and chemical specialties for the food and textile industries.

Established in 1928, the French firm employs about 450, plus 70 traveling salesmen. Annual sales are reported to be approximately $9.5 million. Project 7880. WTD.

Swiss firm seeks agreement to assemble equipment

A small Swiss manufacturer of portable electrostatic air cleaners seeks to enter into an assembly or limited production agreement with a U.S. producer of mechanical or electro-mechanical equipment.

Under the arrangement, the firm would assemble component parts imported from the U.S. licensor. The Swiss company says it is familiar with specifications required by various European countries and it could recommend any necessary modifications needed in a U.S. product. A sales and service organization could be established for distribution of the equipment in Europe. Project 7887. WTD.



SAN FRANCISCO'S NEW ARMY STREET TERMINAL opened to world trade this month. Called the most important cargo facility ever built at the Pacific port, it is designed to handle ships carrying both general break-bulk and containerized cargoes. Its mile-long wharf can take nine deep-draft freighters simultaneously. Four transit sheds have 820,000 square feet of storage space. The 30-acre open area at center is for container storage. The terminal will be the West Coast freight center for 25 lines.

Dutch packaging machinery producer seeks arrangement

A Dutch manufacturer of packaging machinery and equipment for the food, beverage and pharmaceutical industries is interested in a licensing or other business arrangement with a U.S. producer of similar products. The firm wants to make a full line of filling, wrapping, packaging and sealing machinery for the above-mentioned and related industries.

The company employs about 160 people and reports annual sales of approximately $1.7 million. Distribution of the products made under license would be to the E.E.C. countries.

The manager of this concern, a graduate engineer, will be making a trip to the U.S. within the next few weeks. Before his visit, he would like to develop business contacts and arrange appointments with executives of U.S. firms. Because of the time factor involved, companies interested in this proposal are asked to respond as quickly as possible to the announcement. Project 7873, WTD.

Australian manufacturer seeks output of electric mining locomotives

A manufacturer of railroad and mining rolling stock is interested in a licensing arrangement with a well established U.S. producer of similar equipment.

The Australian company wants to make trolley electric underground mining locomotives up to 20 long tons gross weight with a trolley wire supply voltage of 440 volts d.c.

The firm currently has licensing and agency arrangements with several U.S. firms. Project 7888. WTD.

German firm seeks license for label printing machines

A German manufacturer of label printing machinery is interested in obtaining a license for the production of highly developed label printing machines.

The firm has about 80 employees and reports annual sales of $600,000. Project 7889. WTD.

German company seeks new license

A German manufacturer of tractor parts, dredges, cranes, and transport vehicles wants a U.S. license to make light earthmoving and construction equipment suitable for mass production.

Established in 1958, the company employs about 270 people, plus 20 traveling salesmen. Estimated sales for 1966 were reported to be about $8 million. Distribution is through 22 regional sales agents in West Germany, with machine and spare parts dealers, building contractors, and industrial enterprises being the main customers. The company also exports to some 90 countries.

The company claims modern production facilities in its plant which is located on 58,000 square meters of land. Plant equipment reportedly has an approximate value of $750,000 while tractor parts inventory is said to have a value of about $1.7 million. Project 7891. WTD.

Welsh producer wants license for freight containers

A mining machinery and equipment manufacturer seeks a license to make freight containers of the road/rail/sea type. The company is interested in manufacturing standard freight, refrigerated freight and special bulk liquid containers.

Established in 1938, the Welsh company would also consider arrangements to manufacture related products such as road trailers and handling equipment. Project 7870. WTD.

Scottish firm wants license to make handling equipment

A license to manufacture mechanical handling equipment, and products in the electric, electronic or hydraulic fields is sought by this producer of grain drying and storage equipment and mechanical handling systems. The Scottish firm of mechanical and electrical engineers currently has business arrangements with several U.S. companies. Project 7869. WTD.

Borden Chemical in Brazil

The Borden Chemical Company of New York has announced that its Brazilian affiliate, Alba S.A., will construct a formaldehyde plant and a synthetic resins plant at Recife. They are expected to be in operation by mid-1968.

World Trade Opportunities pages 31-35

The firms and individuals in the following lists are interested in trade relations with U.S. businessmen. The commodities in which they have expressed interest are indicated by the numbers preceding the commodity classification. These numbers refer to the Standard Industrial Classification (SIC) Manual, which is available for $2.50 a copy from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Every effort is made to include only firms or individuals with good reputations. However, the Department of Commerce cannot be responsible for any trade relations.

The listing in INTERNATIONAL COMMERCE of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the U.S. Department of Commerce pursuant to the U.S. Export Control Act. For applicable export licensing regulations and policies, see the Comprehensive Export Schedule or consult the Bureau of International Commerce's Office of Export Control or any Department of Commerce Field Office.

● indicates that the trade opportunity represents a request for bids by a foreign government agency. A (★) following indicates that additional information Services Administration (BDSA), U.S. Department of Commerce, Washington, D.C. 20230; telephone numbers indicated. To avoid delay, requests for loan material should specify country and commodity.

★★ indicates opportunities obtained by U.S. trade missions to other countries. A (★) following these indicates that additional information may be obtained by writing the Trade Opportunities Staff, BDSA-624, U.S. Department of Commerce, Washington, D.C. 20230. The TM (trade mission) number is requested in correspondence. Requests for loan material should specify country and TM number.

WTD indicates that a World Trade Directory report is available on the foreign firm for which the trade opportunity is listed. These reports, indicating type of organization, sales territory, size of business, sales volume, trade and financial reputation, and other factors, are available for $2 each from the Bureau of International Commerce, BIC-916, U.S. Department of Commerce, Rm. 6059. Telephone: 202-WO 7-4203. The date following the letters WTD refers to the date of issuance of the report. If WTD is in preparation, action will be completed on a priority basis upon receipt of request specifically identifying the trade opportunity involved.

Sales Leads for Exporters

Listed below are companies interested in buying U.S. products. Direct purchases are wanted unless a desire for an agency agreement is expressed.

011 Field crops

● **BURMA**—Hops, 5,352 lb. Tender No. 2/PBD/PD (IRM)/67-68. Bid deadline Sept. 30. General Manager, Peoples' Brewery & Distillery, Mandalay.★ (Telephone: 202-967-4794).

203 Canning, preserving foods

ENGLAND—Canned, frozen foods of all kinds. A. Stern Ltd. (importer), Battlebridge House, Tooley St., London, S.E.1. WTD 8/15/67.

Seafoods of all kinds, frozen, canned, bottled. Agency and direct purchase. Severnside Foods Ltd. (manufacturer), Ravenscourt Road, Patchway, Bristol. WTD 8/15/67.

ICELAND—Packaged and canned foodstuffs. Direct purchase and agency. Noris, Ltd. (importer, wholesaler), P.O. Box 989, Reykjavik. Attn: Jon Ingimarsson, General Manager. WTD 8/67.

205 Bakery products

ENGLAND—Raw materials for baking or catering trades. Agency and direct purchase. Macphie and Co. (Produce) Ltd. (manufacturer, importer, broker), 11 Lynedoch St., Glasgow, C.3. WTD 8/16/67.

207 Confectionery

DENMARK—Sugar type confectionery not containing cocoa, drops, bon-bons, chocolate candy, all types, novelties. Direct purchase and agency. Brdr. E. Metz (manufacturer, importer, wholesaler, exporter), 95-99 Jagtvej, Copenhagen N. WTD 8/67. Cable: METZBROS.

ICELAND—Packaged, canned foodstuffs. Direct purchase and agency. Noris, Ltd. (importer, wholesaler), P.O. Box 989, Reykjavik. Attn: Jon Ingimarsson, General Manager. WTD 8/67.

209 Food preparations

ENGLAND—Vegetable oils including groundnut oil, cottonseed oil, sunflower seed oil, soybean oil; oilseeds; oilcakes. Agency and direct purchase. Lewis and Peat Ltd. (manufacturers, exporters, importers, sales agents), Plantation House, Mincing Lane, London, E.C.3. WTD 8/16/67.

Spices, herbs preferably new to U.K. market. Agency and direct purchase. Wessex Packing Co. Ltd. (manufacturer, importer), 63a Newport Road, Barnstaple, Devonshire. WTD 8/16/67.

221 Broad woven fabric mills, cotton

GERMANY—Fine cotton fabrics for ladies' nightwear. Kurt Vettermann KG (manufacturer, exporter), 7501 Ettlingenweier/uber Karlsruhe, Bahnhofstrasse 28. WTD 8/67.

222 Broad woven fabric mills, manmade fiber, silk

GERMANY—Synthetic fabrics for ladies' nightwear, including those mixed with cotton. Kurt Vettermann KG (manufacturer, exporter), 7501 Ettlingenweier/uber Karlsruhe, Bahnhofstrasse 28. WTD 8/67.

225 Knitting mills

AUSTRALIA—Industrial stockinettes. Direct purchase and agency. Stanlee Pty Ltd. (manufacturer, retailer, agent, distributor, exporter, importer), P.O. Box 54, Alexandria, N.S.W. WTD 4/67.

229 Textile goods

AUSTRALIA—Cotton waste. Direct purchase and agency. Stanlee Pty Ltd. (manufacturer, retailer, agent, distributor, exporter, importer), P.O. Box 54, Alexandria, N.S.W. WTD 4/67.

Vinyl coated material for making industrial gloves. J. C. Ludowici and Son Ltd. (importers, exporters, retailers, manufacturers), 117 York St., Sydney, N.S.W. WTD 6/29/66.

259 Furniture, fixtures

SOUTH AFRICA—Vertical blinds; approximately 8,000 sq. ft. window coverage required for initial order. Full details, literature, prices requested. Cape Steel Construction Co. (Pty) Ltd. (manufacturer), T. J. Boom, Manager, Light and Sheet Metal Dept., P.O. Box 2121, Cape Town, Cape Province. WTD in preparation.

281 Industrial chemicals

● **BURMA**—Supply of chemicals for sulphate writing and printing paper mill, 12 in all, in various quantities, including caustic soda (NaOH 98%) 2,550 tons; sodium sulfide (Na_2S 60%) 1,350 tons; and talc powder (90% whiteness free of grit, 200 mesh screen 2% left 1,500 tons; packed in steel drums. Tender No. 9(T) PF & CIB (66-67) 1790, bid deadline, Sept. 30. General Manager/Secretary, Paper Factory and Chemical Industries Board, Union of Burma Applied Research Institute Bldg., Knabe.★ (Telephone: 202-WO 7-3465).

282 Synthetic materials

● **CEYLON**—P.V.C. strips for track insulation, 15,000 sets. Bid deadline Oct. 15. The Chairman, Tender Board, General Manager's Office, Ceylon Government Railway, P.O. Box 355, Colombo 10.★ (Telephone: 202-WO 7-3381).

284 Soaps, detergents, cleaning preparations, perfumes, cosmetics

ENGLAND—Textile fiber processing aids which can be applied by spray, or in any of wet processes of woolen, worsted or synthetic textile industries. Agency and direct purchase. Stephenson Brothers Ltd. (manufacturers, exporters, importers), Listerhills Road, Bradford 7, Yorkshire. WTD 8/15/67.

289 Chemical products

ENGLAND—Metal treatment chemicals. Jenolite Ltd. (manufacturer, distributor, importer), Boundary House, Boston Road, London, W.7. WTD 8/18/67.

291 Petroleum refining

● **INDIA**—Lubricating oil-transformer oil conforming to specifications PSM-3100, quantities 3,000 kilo litres. Tender No. PUR/CMBLS/1329/67 (originally published in the International Commerce of 8/21/67 and the Commerce Business Daily of 8/16/67, bid deadline, 11 hours, Sept. 5, changed to Sept. 27. Government of India, Heavy Electricals (India) Ltd., Purchasing and Main Stores, Administration Bldg., 2nd Floor, P.O. Piplani, Bhopal (M.P.) India.★ (Telephone: 202-WO 7-2355).

PORTUGAL—Hot application petrolatum corrosion preventives meeting MIL-C 11796B Class I, II and III specification. Direct purchase and agency. Superoleo, Lda. (importer, distributor), Rua Arco do Carvalhao 51, Lisbon 1. WTD in preparation.

307 Plastic products

AUSTRALIA—Polythene film, consisting of two laminated layers with regularly occurring air bubbles to be used in packaging. Botany Industries Pty Ltd. (distributor, importer), 537 George St., Sydney, N.S.W. WTD 8/67.

COSTA RICA—10,000 transparent plastic collapsible tubes for cosmetic products; each tube diameter: 2"; capacity: 4 oz., approximately. Cosmeticos y Farmaceuticos de Centro America, S.A., (COFARMA) (manufacturer), C. 16, Avs. 1/3, Apartado 1891, San Jose. WTD 8/67.

329 Abrasive, asbestos, nonmetallic mineral products

PORTUGAL—Felt polishing discs, 80 and 100 m/m with central hexagonal hole measuring 24 m/m from side to side; felt polishing discs, 270 m/m with central circular hole 55 mm in diameter; fiber brushes with central hexagonal hole 32 m/m side to side; sisal and cloth brushes 80 and 100 m/m with hexagonal central hole measuring 24 m/m side to side; sisal and cloth brushes 270 m/m with hexagonal central hole 55 m/m in diameter; polishing belts 8/140/220/320 cms. perimeter, 70-90 cms. width, 220 grain. Chromolit Portugal-Cutelarias e Produtos Metalicos S.A.R.L. (manufacturer), Sande, Caldas das Taipas. WTD in preparation.

331 Steel mill products

● **THAILAND**—Sheets, corrosion resisting steel, similar or equal to Corten steel or alternatively copper bearing steel: Tender 10419, bid deadline Oct. 2, calls for 2,000 pcs., 3/32" x 5' x 10'. Deposit of $750 with bid. Tender 10421, bid deadline Oct. 2, calls for 1,800 pcs., 3/16" x 5' x 10'. Deposit of $1,300 with bid. State Railway of Thailand, Yodse, Bangkok.★ (Telephone: 202-WO 7-2363).

335 Rolling, drawing, extruding of nonferrous metals

● **BRAZIL**—Supply of 3,937,200 ft. of neutral supported secondary and service drop cables (duplex, triplex and quadruplex) for four electric utilities. Tender No. CAEEB Bid No. 7, bid deadline Oct. 3. Companhia Auxiliar de Empresas Electricas Brasileiras—CAEEB, Coordenador do Compras, Avenida General Justo 171, sobreleja, Rio de Janeiro ZC-00. Specifications and bid documents available (Portuguese and English) for reference in room 4806, U.S. Department of Commerce, Washington, D.C. 20230.

Export business vs. domestic business

"I do not believe the export business should be approached on the basis of skimming the gravy off the top. Nor do I believe it should be looked upon as plus business that can absorb overheads. If you begin applying all types of rationale to the benefits of getting export business, you will never get into the business on a sound, permanent basis. It must be looked at in the same terms as domestic business. A dollar's worth of export business should have the same value as a dollar's worth of domestic business."

—George Strike, President, American Laundry Machinery Industries

342 Cutlery, hand tools, general hardware

DENMARK—Automotive hardware for automobile chassis. A/S H. Sindby & Co. (importing, wholesaler), 12 Reventlowsgade, Copenhagen V. Cable: EXPORTSINDBY. WTD 8/67.

346 Metal stampings

DENMARK—Automobile stampings such as fenders, tops, trim, body parts. A/S H. Sindby & Co. (importing wholesalers), 12 Reventlowsgade, Copenhagen V. Cable: EXPORTSINDBY. WTD 8/67.

349 Fabricated metal products

FRANCE—Industrial valves, flanges and fittings, particularly screw down valves and needle valves for pressure ranging from 800 to 1,500 lb. Societe Phoceenne de Metallurgie (importer, exporter, wholesaler, agent, retailer), 95–101 Bld Danielle Casanova, 13—Marseille, 14eme. WTD 8/17/67.

352 Farm machinery

TAIWAN—Rotary power lawn mower with B&S engine. Tung Ta Trading Co., Ltd. (importer, retailer), 115 Chungking South Road, Section 1, Taipei. WTD 5/6/66.

353 Construction machinery

● **BURMA**—Four mobile carrier mounted cranes, lift capacity ten long tons, full circle, diesel engine approximately 120 hp. Quote cable or hydraulic type cranes. Tender No. E28(T)PWC/67-68. Bid deadline Oct. 19. The Chairman, Public Works Corp., No. 60 Shwedagon Pagoda Road, Rangoon.★ (Telephone: 202-976-5566).

● **MALAYSIA**—Specifications listed by item number (shown in parentheses), (1) Six motorized scrapers, 2 axle, 135 hp., 7-9 cu. yd. struck; (2) Six tracklaying tractors with hydraulic angledozers, 225-300 hp.; (3) Six tracklaying tractors with hydraulic dozers, 250-300 hp.; (4) Six motor graders, 120-150 hp.; (5) Ten motor graders, 70-90 hp.; (6) Six tractor shovel-loaders, 4 wheel drive, 1½ x 1¾ cu. yd. buckets, 105 hp.; (7) Six crawler mounted power shovel & dragline combination excavators, 1¼ cu. yd. buckets; (8) 24 crawler mounted power shovel and dragline combination excavators, ¾ cu. yd. buckets; (12) Four diesel road rollers, three-wheeled, ten ton unballasted; (13) Four diesel road rollers, three-wheeled, eight ton unballasted; (14) Eight diesel road rollers, three-wheeled, six ton unballasted; (15) Two diesel road rollers, tandem, vibrating, 6-ton unballasted; (16) Two self-propelled pneumatic tired 9-wheel compactors, 15-ton fully ballasted; (17) Two self-propelled diesel powered, wheel mounted, bituminous pavers and finishers, large capacity; (24) Six tracklaying tractors with hydraulic angledozers, 150-200 hp.; (25) 12 tracklaying tractors with hydraulic angledozers, 65-75 hp.; (26) 28 crawler mounted power shovel and dragline combination excavators, ⅝ cu. yd. buckets; (27) 11 crawler mounted power shovel and dragline combination excavators, ⅜ cu. yd. buckets; (29) 60 agricultural wheel type diesel powered tractors, 40-60 hp. Tender specifications and bidder forms available at M$5 for each item shown in parentheses. These may be obtained from the Assistant Director of Public Works (Mechanical) PWD Federal Hdqts., Jalan Maxwell, Kuala Lumpur. (US$1 equals M$3.03) Tender No. 9-DPW M43B. Bid deadline Nov. 3. The Director of Public Works, States of Malaya, PWD Federal Headquarters, Jalan Maxwell, Kuala Lumpur.★ (Tel.: 202-967-5566).

354 Metalworking machinery

DENMARK—Metalworking (automobile) power-driven hand tools, parts. A/S H. Sindby & Co. (importing wholesaler), 12 Reventlowsgade, Copenhagen V. Cable: EXPORTSINDBY. WTD 8/67.

● **INDIA**—Hydraulic internal grinding machine: max. bore to grind—900 mm., max. table traverse—525 mm., max. grinding depth—300 mm. Tender No. BEML/RP/EQP/6131/V11/RB/074-67 (I.S.M. Ref. No. D/ENQ/2408), bid deadline Oct. 16. Global procurement. Purchase Manager, Bharat Earth Movers Ltd. Hindustan Aircraft P.O. Bangalore 17. Copies of tender documents may be obtained free of charge from the India Supply Mission, 2536 Massachusetts Ave. NW., Washington, D.C. 20008.

MEXICO—Steel foundry equipment, used or

reconstructed, to include electric furnaces of 10 to 15-ton capacity, a medium-size rolling mill for billets and ingots, equipment for nut, bolt, screw factory. Mr. Lou Leslie, Fierro y Acero Industrializado del Centro, S. A. (manufacturer), Hamburgo 146-202. Colonia Juarez. WTD 8/67.

PORTUGAL—Machines for mirror polishing of stainless steel tableknives. Chromolit Portugal-Cutelarias e Produtos Metalicos, S.A.R.L. (manufacturer), Sande, Caldas das Taipas. WTD in preparation.

355 Special industry machinery

COSTA RICA—One grinding mill for pastes and ointments equipped with 3 rollers; each roller diameter: 80 x 250 mm. approximately; one 3-speed planetary mixer, equipped with stainless steel recipient with capacity ranging from 60 up to 100 liters. Cosmeticos y Farmaceuticos de Centro America S.A. (COFARMA) (manufacturer), C. 16, Avs. 1/3, Apartado 1891, San Jose. WTD 8/67.

356 General industrial machinery

PORTUGAL—Blowers 3000 to 4000 rpm., 2000 to 3000 cfm. air delivery, ¼ to 1" static pressure. Direct purchase and agency. Ramalho Rosa (retailer), Rua Braamcamp 96-1° Esq., Lisbon 1. WTD in preparation.

358 Service industry machines

AUSTRALIA—Vending machines, wide range but especially those designed to handle drinks, hot and cold foods, fruit, sandwiches, cigarettes; machines preferably should be designed for Australian coins. Williams Marketing Corp. (manufacturer, retailer, agent, distributor, exporter, importer), 241 Pitt St., Sydney, N.S.W. WTD 2/67.

SWEDEN—Vending machines, all kinds. Direct purchase and agency. Automatimport AB (sales agent, distributor, importer), Essinge Brogata 1, Stockholm. WTD 8/67.

361 Electric transmission, distribution equipment

ENGLAND—Industrial electronic switchgear and illuminated switches; general electronic components. Agency and direct purchase. Flight Refueling Ltd., Industrial Electronics Division (manufacturer, sales agent), Wimborne, Dorset. WTD 8/18/67.

● **ICELAND**—Supply of miscellaneous equipment for Burfell Hydroelectric Power Project including 13 motor control centers, 2 distribution panelboards, 4 ironclad distribution boards, 1 pad-mounted and 4 pole-mounted transformers. Tender No. 290-12, bid deadline Oct. 3. Landsvirkjun (National Power Co.) Sudurlandsbraut 14, Reykjavik. Contract documents may be obtained from the Embassy of Iceland, 2022 Connecticut Ave., NW., Washington, D.C. 20008 or from the Harza Engineering Co., 400 West Madison St., Chicago, Illinois 60606.

● **INDIA**—Supply the following electrical testing and measuring equipment: one wave analyzer; one octave band analyzer; one band filter; one level recorder; one beat frequency oscillator. Tender No. E S-5/214/35/339/CELL-17. Bid deadline Sept. 21. Director General of Supplies and Disposal, National Insurance Bldg., Parliament St., New Delhi. India. Tender documents available from the India Supply Mission, 2536 Massachusetts Ave., NW., Washington, D.C. 20008.

362 Electrical industrial apparatus

MOROCCO—Electric generators, one, two and three hp., 110/120 V; powered by gasoline or diesel. Quotations c.i.f. Casablanca, catalogs requested. Etablissements Jean Brunot (importer), 10, Rue de la Somme, Casablanca. WTD 8/67.

PORTUGAL—Small DC electric motors, ½ to 2 hp., 12 and 24 volts, high speed rpm. Direct purchase and agency. Ramalho Rosa (retailer), Rua Braamcamp 96-1° Esq., Lisbon 1. WTD in preparation.

371 Motor vehicles, motor vehicle equipment

DENMARK—Automobile chassis parts, accessories, equipment. A/S H. Sindby & Co. (importing wholesaler), 12 Reventlowsgade, Copenhagen V. WTD 8/67. Cable: EXPORTSINDBY.

PANAMA—Equipment, supplies, materials for manufacturing automobile mufflers and tailpipes. Ruben D. Cabrera (manufacturer), P.O. Box 18-B, David, Chiriqui. WTD in preparation.

373 Ship, boat building, repairing

TAIWAN—Freighters or tankers of under 10,000-ton class for scrapping; 3,000 to 5,000-ton class preferable; to be delivered at Kaohsiung. Requests offer with price information. Wilson Co., Ltd. (importer, agent), P.O. Box 22933, Taipei. WTD 3/16/67.

382 Instruments for measuring, controlling, indicating physical characteristics

SWITZERLAND—Electronic temperature measuring instruments; pressure measuring instruments; products should be broad in concept, cover various laboratory and industrial applications. Direct purchase and agency. G. H. Endress & Co. (importer, manufacturers' agent), Florastrasse 11, 4153 Reinach, Baselland. WTD 8/67.

399 Manufacturing industries

SWEDEN—Coin operated amusement machines, all kinds. Requests descriptive literature, c.i.f. prices. Direct purchase and agency. Automatimport AB (sales agent, distributor, importer), Essinge Brogata 1, Stockholm K. WTD 8/67.

701 Hotels, tourist courts, motels

● **CYPRUS**—Proposals sought for exploitation of Government-built tourist facilities on the "Golden Sands" public beach near Famagusta. Cypriot Government intends to build and lease a hotel and bungalows with a total capacity of 700 beds, as well as entertainment facilities. Cost of project estimated over $2.8 million. Firms interested in this project are to inform the Cypriot Ministry of Commerce and Industry, Nicosia, Cyprus, and are requested to cite their experience in the field of tourism. Concrete proposals will be solicited at a later date.

Sales Representation

The firms listed below are interested in representing U.S. firms in the areas indicated. Exclusive distributorship for these commodities is wanted only if specified.

209 Food preparations

ENGLAND—Vegetable oils for sale to oilseed crushers, refiners throughout Europe. The Produce Brokers Co. Ltd. (brokers), 16 Bury St., London, E.C.3. WTD 8/17/67.

283 Drugs

ICELAND—Pharmaceutical products. Magnus Th.S. Blondahl (importer, agent), Vonarstraeti 4 B, Reykjavik. WTD 8/67.

287 Agricultural chemicals

FRANCE—Insecticides, fertilizers, agricultural chemicals. Requests replies in French. Prouveze, Jean (sales agent), 24- Saint-Antoine-de-Breuil, Dordogne. WTD in preparation.

354 Metalworking machinery

UGANDA—Industrial electric saws. Eastern Electrical Co. Ltd. (importer, wholesaler), P.O. Box 462, Kampala. WTD 7/67.

355 Special industry machinery

UGANDA—Electric saws for cutting wood. Eastern Electrical Co. Ltd. (importer, wholesaler), P.O. Box 462, Kampala. WTD 7/67.

362 Electrical industrial apparatus

UGANDA—Industrial electric welding apparatus; electric motors, generators. Eastern Electrical Co. Ltd. (importer, wholesaler), P.O. Box 426, Kampala. WTD 7/67.

364 Electric lighting, wiring equipment

BRAZIL—Complete line of electrical lighting equipment, fixtures, and fittings for ship, boat illumination. Selnav Servicos Eletricos Navais S.A. (agent, representative), Rua Euclides da Cunha 246, Rio de Janeiro AC-08 Estado da Guanabara. WTD 2/1/66.

Late Leads—Information received too late to be of value to bidders is published because many readers will find it of value in follow-up campaigns to sell complementary products and subisidiary services. Sometimes a cable to an agent on the scene will result in tie-in sales.

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366 Communication equipment

BRAZIL—Ship and boat electrical warning, alarm, control and signalling systems and bells. Selnav Servicos Eletricos Navais S.A. (agent, representative), Rua Euclides da Cunha 246, Rio de Janeiro AC-08, Estado da Guanabara. WTD 2/1/67.

471 Freight forwarding

ETHIOPIA—Correspondent arrangement with freight forwarding company, preferably in New York area to handle U.S.-Ethiopian ship-

ments, both inbound and outbound. Fassil Keflegzy (agent), P.O. Box 33, Addis Ababa. WTD in preparation.

504 Groceries, related products

ICELAND—Groceries, fresh fruits, vegetables, canned meat products. Magnus Th. S. Blondahl (importer, agency), Vonarstraeti 4 B, Reykjavik. WTD 8/67.

535 Direct selling establishments

JAPAN—Household equipment suitable for door-to-door demonstration and sale. Sole agency contract with products covered by trade marks registered in Japan desired. American Master Products, Inc. (importer, retailer), Attention: Hiroharu Kataoka, 33-19, 1-chome, Nishi Koiwa, Edogawa-ku, Tokyo. WTD in preparation.

Leads for Importers

Commodities are offered direct unless specified

249 Wood products

FRANCE—Boot- and shoe-trees, wood, in various types and models suitable for use with all categories of footwear for men, women, including sport shoes, ankle-boots, others. Wholesale exportation, direct or through sales agents. Illustrated leaflet in French available on loan from Trade Opportunities Staff, BDSA-624, Rm. 4203, U.S. Dept. of Commerce, Washington, D.C. 20230. Mariotte & Cie (Etablissements H). (manufacturer, wholesaler), Usine du Couderc, 87- Chaillac, Haute-Vienne. WTD 8/67.

Ceylon needs various types of chemicals to rebuild tires, tubes

The Supplies Manager, Associated Motorways, Ltd., 185 Union Place, Colombo 2, Ceylon, is requesting bids for chemicals required to rebuild car, truck, and bicycle tires and tubes.

Bid deadline is Oct. 4.

Chemicals required are: 1,700 lb. accelerator D/vulcafor DPG; 2,100 lb. accelerator M/ancap vulcafor MBT; 8,400 lb. accelerator DM/ancatax vulcafor MBTS; 12,000 lb. antioxidant PAN/Nonox AN nocrac PA/antigene A; 16,700 lb. antioxidant PBN/Nonox D/nocrac D/antigene D.; 600,000 lb. carbon black HAF/Philblack O; 236,300 lb. carbon black regal 300; 107,400 lb. carbon black ISAF low modulus; 80,000 lb. dutrex R/B.P. extract 65/100 or tudalen 320; 20,500 lb. dutrex RT/BP extract 65/100T;

Process oil/dutrex L, 1,600 lb.; 15,000 lb. factice brown/black substitute; 10,500 lb. factice white; 2,000 lb. flectol H/Nonox B (flakes); 3,400 lb. lithopone 30% Zns; 7,500 lb. magnesium carbonate, light grade 60 M; 350 lb. magnesium oxide; 12,100 lb. mineral rubber/mexphalte R115; 25 lb. organic blue; 11,100 lb. paraffin wax, rubber grade, 54oC-56oC; 22,100 lb. pine tar; 28,000 lb. polymer/polyethylene-film grade;

Renacit IV, 6,000 lb.; 8,600 lb. santacure/furbac/vulcafor HBS; 500 lb. silicone emulsion/releasil 2537 mould lubricant; 51,200 lb. stearic acid—rubber grade; 65,400 lb. sulphur—no remnants on 100M; 55,000 lb. talc No. 1 quality 100M; 2,500 lb. vulcalent BC/vulcatard A/curatard A.;

Whiting ground, 637,600 lb.; 78,600 lb. zinc oxide No. 1/white seal; 102,700 lb. Winnofil/Hakuenka CC Brand/activated calcium, surface treated; 78,600 lb. zinc oxide No. 2; 3,200 lb. Nonox ZA/Santoflex IP; 1,200 lb. vulcafor BSM/Santicure NS; and 4,300 lb. insoluble sulphur.

The following materials are required for the manufacture of automotive batteries: 9,600 kgs. sulphur; 66,000 kgs. coal dust; 540 kgs. vulcafor BA/accelerator 8; 4,200 kgs. process oil/dutrex 55; 1,080 kgs. barium sulphate; 200 kgs. cork powder; 100 kgs. gelatine; 900 kgs. polyethylene; 500 kgs. polystyrene (for bottom plates); 6,600 gals. sulphuric acid; 10,800 kgs. sealing compound; 156,000 kgs. lead; 3,240 kgs. antimony; and 312 kgs. arsenic.

The following PVC compounds are required for electric cables and wires: PVC insulation compound, various colors, 100 L/tons; PVC sheathing compound, various colors, 130 L/tons.

Copies of the tender are available on a loan basis to firms located in the United States from the Chemicals and Allied Products Division, BDSA, Department of Commerce, Washington, D.C. 20230. (Telephone: 202-967-3512).

Little things make the difference

"Quite often the difference in being successful and not being successful in a foreign market is that the successful firm is aware of and paying attention to the little things.

"These can be:

"Handling all overseas correspondence as quickly as possible;

"The ability to be understood in writing;

"Making certain that the sales literature and technical bulletins are in the language of the country;

"And tailoring the product to the customer's needs.

"To be successful in international trade takes more than a product and a desire to sell it. Often it is these little things that can make the big difference in overseas marketing."

—V. J. Borland, Export Manager, Quaker State Oil Refining Corp.

New Trade Lists

The Bureau of International Commerce has published the following new trade lists of which mimeographed copies may be obtained by firms domiciled in the Untied States from BIC-916, U.S. Department of Commerce, Washington, D.C. 20230, and from Department of Commerce Field Offices. The price is $1 a list for each country.

Iron and Steel, Nonferrous Metals and Building Materials—Importers and Dealers—Chile.

Hardware—Importers and Dealers—Peru.

Jewelry, Silverware, Timepieces and Giftware—Importers and Dealers—Hong Kong.

Laundry and Dry Cleaning Industry—Austria.

Machinery and Equipment, Except Electrical—Importers and Distributors—Honduras.

Medicinal and Toilet Preparations—Importers, Dealers and Manufacturers—Denmark.

Metallurgical and Metal Working Plants—Peru.

Oils—(Animal, Fish and Vegetable)—Importers, Dealers, Producers, Refiners and Exporters—Haiti.

Photographic Supplies Dealers and Photographers—Argentina.

Plastics Materials—Importers, Dealers and Manufacturers—India.

Printers, Lithographers, Engravers and Publishers—Colombia.

Pulp and Paper Mills—United Kingdom.

Visiting Buyers and Officials

Scheduled arrival dates and U.S. addresses indicated

ARGENTINA—Jorge E. Malenchini, Merex Argentina S.A.C.I.F., Cangallo 537, Buenos Aires, **interested in contacting U.S. manufacturers of earthmoving equipment** and requesting technical information. Aug. 31 via Houston for 3 weeks. c/o Rockwell International Inc., Rockwell Bldg. Pittsburgh, Pa. 15208. Itinerary: Houston, Los Angeles, Pittsburgh, New York. WTD 8/67.

BRAZIL—Ernani Raia Rocha, Metal Molde Carioca Ltda., Avenida Rio Branco 135; sala 213, Rio de Janeiro ZC-21, **interested in licensing agreement with U.S. firms manufacturing products through die-casting processes.** Sept. 5 via New York for 1 month. c/o D.C.M.T. Machinery, 91 Commercial St., Plainview, L.I., N.Y. Itinerary: New York, Chicago, Detroit, Clinton, Mich., Cleveland. WTD 4/67.

BRAZIL—Jack Kreuter, Emapre Importacao, Exportacao e Representacoes Ltda., Rua Aurora 817, 7 andar, Sao Paulo, **interested in selling lumber, semi-manufactured wooden products and aluminum household wares.** Sept. 1 via New York for 1 month. c/o 420 Madison Ave., New York, N.Y. Itinerary: New York. WTD in preparation.

ENGLAND—Keith M. Parker, Managing Director, A.B.M. Industrial Products Ltd., Unity Mill, Poleacre Lane, Woodley, Stockport, Cheshire, **interested in discussing with U.S. firms possibility of licensing and/or joint venture arrangements in U.K. and Europe of chemical manufacture, particularly biochemicals or specialty organic chemicals.** Sept. 28 via New York until Oct. 21. c/o Kelco Co., 75 Terminal Ave., Clark, N.J. Itinerary: San Diego, Chicago, Cleveland, Philadelphia, Baltimore, Minneapolis, Boston, New York. WTD 1/29/65.

FRANCE—Christian Pauvert, representing his own firm, 24 Quai General de Gaulle, 83 Bandol, **interested in selling high style shoes.** Sept. 27 via New York for 2 weeks. c/o Sheraton Wilshire Hotel, 3515 Wilshire Blvd., Los Angeles, Calif. Itinerary: New York, Los Angeles, Chicago. WTD 9/1/67.

GERMANY—Bruno Krieger, representing Bruno E. I. Krieger, Nedderfeld 32, Hamburg 54, **interested in contacting U.S. manufacturers or exporters of mechanical and electrical household applianees, camping articles, do-it-yourself tools, equipment and accessories for automobiles and automobile trailers, automobile repair shop tools.** Sept. 28 via Chicago for 3 weeks. c/o German-American Chamber of Commerce of Chicago, 77 E. Monroe St., Chicago, Ill., or Foley Mfg. Co., 17 Battery Place, New York, N.Y. 10004. Itinerary: Chicago, New York, others as necessary. WTD 6/67.

INDIA—R. K. Hirlekar, Hirlekar Precision Engineering Co., Western India House, Sir Phirozshah Mehta Road, Bombay 1, **interested in representing U.S. manufacturers of non-ferrous metals and raw materials and components for electrical and electronic industries and locating U.S. participants to manufacture precision level vials, gear trains and mechanisms,** and requesting technical information. Sept. 23 via Boston for 4-6 weeks. c/o W. H. Soggard, 407 25th Ave. N., St. Cloud, Minn. 56301. Itinerary: Boston, New York, Philadelphia, Dayton, Ohio, Indianapolis, Detroit, Milwaukee, Minneapolis. WTD in preparation.

ISRAEL—Efraim Gousman, Managing Director, S. Gousman & Sons Ltd., 16 Hakishon St., or P.O. Box 1730, Tel Aviv, **interested in exclusive agencies and distributorship for agricultural machines and equipment, industrial machinery and equipment, small petrol engines, pumps of all types, hydraulic equipment,** and requesting technical information. Sept. 27 via New York for 6 days. c/o Park Sheraton Hotel, 7th Ave. & W. 56th St., New York, N.Y. 10019. Itinerary: New York. WTD 7/22/66.

JAPAN—Teruo Tsunoda, General Manager, Overseas Trade Division, Hibiya Trading Co. Ltd., 4 Yuraku-cho 2-chome, Chiyoda-ku, Tokyo, **interested in importing pulp, paper and allied machinery from U.S.** Sept. 12 via Seattle for 3 weeks. c/o Park Sheraton Hotel, 7th Ave. & W. 56th St., New York, N.Y. 10019. Itinerary: Seattle, San Francisco, Los Angeles, New York, Atlantic City, Washington. WTD 7/67.

JAPAN—Masami Okano and 19 members of Japan Valve Manufacturers Association, Kikai Shinko Kaikan Bldg., 1-5 Shiba Park 21, Minato-ku, Tokyo, **interested in meeting officials of U.S. valve industry and visiting valve plants.** Sept. 24 via New York for 16 days. c/o The Japan Trade Center, 393 5th Ave., New York, N.Y. 10016. Itinerary: New York, Washington, Chicago, Las Vegas, Los Angeles, San Francisco, Honolulu.

MOZAMBIQUE—Candido D. A. Adao dos Santos, Emporio de Importacoes e Exportacoes de Mocambique Lda., Av. da Republica 1509, Lourenco Marques, **interested in importing adding, calculating and similar office machines, textiles and toys, preferably on commission basis and requesting technical information on machines to make special beverage from coconut milk called "coconut champagne".** Sept. 20-25 via New York for 3-5 days. c/o Portuguese Consulate General, New York, N.Y. Itinerary: New York, San Francisco, Los Angeles, Honolulu. WTD 8/27/67.

NETHERLANDS—E. Ruempol, Managing Director, Leidsche Apparatenfabriek N.V., 41-43 Os-en Paardenlaan, Leiden, **interested in licensing arrangement and/or representation for packaging machinery for food, beverage and pharmaceutical industries.** Sept. 14 via Boston for 2-3 weeks. c/o Shelburne Hotel, Boardwalk & Michigan Ave., Atlantic City, N.J. Itinerary: Boston, Worcester, Mass.; New York, Atlantic City. WTD 7/67.

NETHERLANDS—C. A. van der Smit, General Manager, Danpoort I N.V., 75 Wijnhaven, P.O. Box 1309, Rotterdam, **interested in direct purchase and agencies of new designs in field of small grinding and polishing machinery and tools for woodworking and metal surface treatment industries;** not interested in abrasive paper, cloth or grinding wheels. Sept. 21 via New York for approximately 9 days. c/o Century Hotel, 111 W. 46th St., New York, N.Y. 10036. Itinerary: New York. WTD 9/67.

SWEDEN—Arne Hagberg, Chief Engineer, AB Bolinder-Munktell/Volvo, Eskilstuna, **interested in construction machinery, factory visits to discuss product planning and sales training methods.** Sept. 27 via San Francisco for approximately 3 weeks. c/o Hotel Allerton, 701 N. Michigan, Chicago, Ill. 60611, or Department of Commerce Field Offices en route. Itinerary: San Francisco, Chicago 10/8-16, Detroit, Washington, New York. WTD 3/67.

SWITZERLAND—Pierre J. Lieblich, J. Lieblich & Cie. GmbH, Solothurnerstrasse 50, 4002 Basel, **interested in purchasing fruits and vegetables from growers and packers.** Sept. 17 via New York for 3 weeks. c/o Hotel Wentworth, 59 W. 46th St., New York, N.Y.; or Jean Bigar, 4101 Cathedral Ave. NW., Washington, D.C. Itinerary: 9/17-21 New York, Dallas or Houston, 10/5-8 Washington, D.C. WTD 8/67.

SWITZERLAND—Silver Menasse, 24 Ave. C. F. Ramuz, 1009 Pully Lausanne, export agent for S.A. Couach, 125 Blvd. de la Plage, 33 Arcachon, Gironde, France, **interested in selling Couach diesel marine engines, gasoline motors, Arcoa motor boats for pleasure and sports.** Sept. 25 via Detroit for approximately 10 days. c/o Tradco-Detroit Inc., 615 Griswold St., Detroit, Mich. 48226. Itinerary: 9/25-27 Detroit 9/27-30 Chicago, New York. WTD 12/15/66 on Couach.

TAIWAN—Y. L. Shen, President, Federal Industries Inc., 32-34 Kaifeng St., Section 2, Taipei, **interested in contacting importers of knitwear and suppliers of synthetic fibers.** Sept. 5 via San Francisco for 1 month. c/o Stone & Cohen Inc., 421 7th Ave., New York, N.Y. 10001. Itinerary: San Francisco, Los Angeles, Dallas, Chicago, Detroit, New York, Philadelphia. WTD in preparation.

THAILAND—Vanlop Temboonkiat, General Manager, Srisuvarna Co. Ltd., 81 Mansion 10, Rajdamnern Ave., Bangkok, **interested in direct purchase and agency for leaf tobacco and glycerine.** Sept. 15 via New York for 2 months. c/o Siri Tembookiat, Chief of Thai Information Service, Royal Thai Embassy, 2300 Kalorama Rd., NW., Washington, D.C.; or Dickinson Leaf Tobacco Co. Inc., 119 Shockoe Slit, or P.O. Box 587, Richmond, Va. Itinerary: 9/16-24 Washington, 9/24-11/16 Richmond, 11/16-18 New York. WTD under revision.

URUGUAY—Messrs. Matias Ganc and Vicente Orefice, representing Orefic, Pecora & Cia., Calle Sitio Grande 1315-19, Montevideo, **interested in selling shoes in U.S., buying shoe making machinery, agencies for raw materials and machinery for shoe industry.** Sept. 20 via New York for 20 days. c/o 80 U Ave., Brooklyn, N.Y. 11223. Itinerary: New York, Boston. WTD in preparation.

U.S. DEPARTMENT OF COMMERCE—FIELD OFFICES

ALBUQUERQUE, N. MEX., 87101, U.S. Courthouse. Area Code 505 Tel. 247-0311.

ANCHORAGE, ALASKA, 99501, 306 Lousaac-Sagan Building. Area Code 907 Tel. 272-6331.

ATLANTA, GA., 30303, 4th Floor Home Savings Building, 75 Forsyth St. N.W. Area Code 404 Tel. 526-6000.

BALTIMORE, MD., 21202, 305 U.S. Customhouse, Gay and Lombard Sts. Area Code 301 Tel. 962-3560.

BIRMINGHAM, ALA., 35205, Suite 200-201, 908 South 20th St. Area Code 205 Tel. 325-3327.

BOSTON, MASS., 02203, Room 510, John Fitzgerald Kennedy Federal Bldg. Area Code 617 Tel. 223-2312.

BUFFALO, N.Y., 14203, 504 Federal Building, 117 Ellicott St. Area Code 716 Tel. 842-3208.

CHARLESTON, S.C., 29403, Federal Building—Suite 631, 334 Meeting St. Area Code 803 Tel. 577-4171.

CHARLESTON, W.VA., 25301, 3002 New Federal Office Building, 500 Quarrier St. Area Code 304 Tel. 343-6196.

CHEYENNE, WYO., 82001, 6022 Federal Building, 2120 Capitol Ave. Code 307 Tel. 634-5920.

CHICAGO, ILL., 60604, 1486 New Federal Building, 219 South Dearborn St. Area Code 312 Tel. 353-4400.

CINCINNATI, OHIO, 45202, 8028 Federal Office Building, 550 Main St. Area Code 513 Tel. 684-2944.

CLEVELAND, OHIO, 44101, 4th Floor, Federal Reserve Bank Building, East 6th St. and Superior Ave. Area Code 216 Tel. 522-4750.

DALLAS, TEX., 75202, Room 120, 1114 Commerce St. Area Code 214 Tel. 749-3287.

DENVER, COLO., 80202, 16419 Federal Building, 20th and Stout Sts. Area Code 303 Tel. 297-3246.

DES MOINES, IOWA, 50309, 1216 Paramount Building, 309 Grand Ave. Area Code 515 Tel. 284-4222.

DETROIT, MICH., 48226, 445 Federal Building. Area Code 313 Tel. 226-6088.

GREENSBORO, N.C., 27402, 412 U.S. Post Office Building. Area Code 919 Tel. 275-9111.

HARTFORD, CONN., 06102, 18 Asylum St. Area Code 203 Tel. 244-3530.

HONOLULU, HAWAII, 96813, 202 International Savings Building, 1022 Bethel St. Tel. 588-977.

HOUSTON, TEX., 77002, 5102 Federal Building, 515 Rusk Ave. Area Code 713 Tel. 228-0611.

JACKSONVILLE, FLA., 32202, P.O. Box 35087, 400 West Bay St. Area Code 904 Tel. 791-2796.

KANSAS CITY, MO., 64106, Room 2011, 911 Walnut St. Area Code 816 Tel. 374-3141.

LOS ANGELES, CALIF., 90015, Room 450, Western Pacific Building, 1031 South Broadway. Area Code 213 Tel. 688-2833.

MEMPHIS, TENN., 38103, 345 Federal Office Building, 167 North Main St. Area Code 901 Tel. 534-3214.

MIAMI, FLA., 33130, Rm. 821, City National Bank Bldg., 25 W. Flagler St. Area Code 305 Tel. 350-5267.

MILWAUKEE, WIS., 53203, Straus Building, 238 West Wisconsin Ave. Area Code 414 Tel. 272-8600.

MINNEAPOLIS, MINN., 55401, 306 Federal Building, 110 South Fourth St. Area Code 612 Tel. 334-2133.

NEW ORLEANS, LA., 70130, 909 Federal Office Building, South, 610 South St. Area Code 504 Tel. 527-6546.

NEW YORK, N.Y., 10001, 61st Floor, Empire State Building, 350 Fifth Ave. Area Code 212 Tel. 563-3377.

PHILADELPHIA, PA., 19107, Jefferson Building, 1015 Chestnut St. Area Code 215 Tel. 597-2850.

PHOENIX, ARIZ., 85025, 5413 New Federal Building, 230 North First Ave. Area Code 602 Tel. 261-3285.

PITTSBURGH, PA., 15222, 2201 Federal Building, 1000 Liberty Ave. Area Code 412 Tel. 644-2850.

PORTLAND, OREG., 97204, 217 Old U.S. Courthouse, 520 S.W. Morrison St. Area Code 503 Tel. 226-3361.

RENO, NEV., 89502, 2028 Federal Building, 300 Booth St. Area Code 702 Tel. 784-5203.

RICHMOND, VA., 23240, 2105 Federal Building, 400 North 8th St. Area Code 703 Tel. 649-3611.

ST. LOUIS, MO., 63103, 2511 Federal Building, 1520 Market St. Area Code 314 Tel. 622-4243.

SALT LAKE CITY, UTAH, 84111, 3235 Federal Building, 125 South State St. Area Code 801 Tel. 524-5116.

SAN FRANCISCO, CALIF., 94102, Federal Building, Box 36013, 450 Golden Gate Ave. Area Code 415 Tel. 556-5864.

SANTURCE, P.R., 00907, Room 628, 605 Condado Ave. Phone 723-4640.

SAVANNAH, GA., 31402, 235 U.S. Courthouse and Post Office Building, 125-29 Bull St. Area Code 912 Tel. 232-4321.

SEATTLE, WASH., 98104, 809 Federal Office Building, 909 First Ave. Area Code 206 Tel. 583-5615.

New Books and Reports

***Manual for Soviet-American Trading.* By John E. Felber. Published by International Intertrade Index. 1967. 144pp. $5 postpaid.**

This book covers American and Soviet exports and imports, regulations, tariffs, customs, present products traded, future possibilities, past history, lists of foreign trading companies and many other topics of interest to traders.

Felber has served for the past 18 years as editor of *International Intertrade Index*, the new products' newsletter that covers all major foreign trade fairs. He is also the author of *American's Tourist Manual of the U.S.S.R.*, written at the request of Intourist, the Soviet Travel Company.

He describes the vast changes taking place in the way of life and standard of living caused by the commercial and economic reforms being adopted. The book contains maps and a bibliography and gives many sources of additional information.

Write: International Intertrade Index, Box 636, Federal Square, Newark, N.J. 07101.

***Rate-A-Matic.* Pubished by Air France. 1967. 212pp. Free.**

The second edition of Air France's guide to shipping by air has been published by the airline's cargo department in North America. This new edition, in separate volumes for the United States and Canada, includes the new rates which were established at the San Juan conference earlier this year.

The ring-bound, pocket-size guide is divided into four sections: domestic rates, international general commodity rates, international specific commodity rates, and rules. A feature of the U.S. volume is a cross reference section that shows the relationship of domestic commodity rates to international counterparts.

Write: Air France, Dept. FE, 1350 Avenue of the Americas, New York, N.Y. 10019.

***Japan Company Directory, 1967.* Published by the Oriental Economist, Tokyo. 292pp. $20.**

This volume contains a classified listing of Japanese companies arranged by the principal products they produce.

Information given for each firm includes date established, head office address, telephone number, cable address, total liabilities, net worth, capital, major stockholders, number of stockholders, references, officers, business results, share price, capital change and principal business lines.

A brief who's who in Japanese business is included as well as an index to the companies listed.

Write: International Publications Service, 303 Park Ave. So. New York, N.Y. 10010.

***Foreign Investment and Development in Liberia.* By Russell U. McLaughlin. Published by Frederick A. Praeger. 1966. New York. 217 pp. $15.**

U.S. public and private investment and United Nations technical assistance have played major roles in Liberia's economic development.

The author analyzes the type, extent, and nature of private business concessions, and other aspects of aid projects. He examines the relationship between foreign investment and domestic economic development and raises basic questions on the role of foreign investment in the total development process of the country.

Write: Frederick A. Praeger, Publishers; 111 Fourth Ave., New York, N.Y. 10003.

Taxation in Italy

Taxation in Italy is a complicated maze for the American businessman. Recently the Italian Government submitted to Parliament a wide-ranging fiscal reform bill aimed at simplifying and streamlining the tax system and improving its administration.

To assist businessmen in dealing with the present system, the Department of Commerce has prepared a circular *Taxation in Italy* summarizing the more important tax provisions. A loan copy of the circular may be obtained from the European Division, Bureau of International Commerce, Department of Commerce, Washington, D.C. 20320.

***Doing Business in Japan.* By Robert Ballon. Published by Charles E. Tuttle Co., Rutland, Vt. 1967. 218pp. $5.**

The basis for this book was the Business in Japan Workshop sponsored by the Socio-Economic Institute of Sophia University, Tokyo. Its purpose is to lessen "the cultural shock produced when the foreign businessman meets the Japanese company."

Experts in various fields contribute their interpretations of the problems. A psychologist and an economist give the background of Japanese business methods. A lawyer, accountant, businessman and professor discuss present aspects of doing business in Japan.

The author is professor of labor economics at Sophia University.

Write: Charles E. Tuttle Co., Rutland. Vt. 05701.

***Overseas Business Reports*, U.S. Department of Commerce, Washington, D.C., 1967. $13 per year ($5 additional for overseas mailing), 15 cents per copy.**

Foreign Trade Regulations of Haiti. OBR 67–34. This report covers trade policy, import tariff system, special customs provisions, internal taxes, shipping documents, labeling and marking requirements, non-tariff import controls, export controls, U.S. controls and government representation of Haiti.

Gas—Characteristics and Distribution and the Market for Gas Equipment in Western Europe. OBR 67–49. The types of gas—natural, mixed, manufactured, liquefied—its market, standards and testing, are included for seven countries of Western Europe.

Basic Data on the Economy of Surinam. OBR 67-51. Assets and liabilities, geography, population, government, agriculture, mineral resources, manufacturing, transportation and communications, utilities, investment and foreign trade for Surinam are presented.

Foreign Trade Regulations of the Republic of Korea. OBR 67–55. Similar topics to those listed above for Haiti are covered for Korea.

Write: any Department of Commerce Field Office or Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

☆ U. S. GOVERNMENT PRINTING OFFICE: 1967—301-955/10

Calendar *for international traders*

ANCHORAGE—Sept. 28-29—Businessmen's Consultation, **John F. Shaw, Commercial Counselor going to Tokyo.** Sponsor: Commerce Field Office.

ATLANTA—Sept. 29—Atlanta World Trade Council Third Annual Dinner, Phoenix Ballroom, Regency Hyatt House, 8 p.m. Speaker: Sen. Robert F. Kennedy. Topic: The Southeast and World Trade. Sponsor: Atlanta Chamber of Commerce.

BALTIMORE—Sept. 28—Export In-Office Seminar, Md. National Bank Conference Room, 10 Light St. Sponsors: REEC, Commerce Field Office, Md. National Bank and Md. Port Authority.

BUFFALO—Oct. 2—First of nine weekly seminars on International Marketing and Management, 7:30 p.m., The Communication Ctr., State Univ. of N.Y. College at Buffalo. Sponsors: Western N.Y. REEC, Commerce Field Office.

CAMBRIDGE, Mass.—Sept. 21—International Trade Workshop, 8:45 a.m., Charter House Motor Hotel. Sponsors: Small Business Administration; Commerce Field Office.

CHARLESTON, S.C.—Oct. 5—Businessmen's Consultation, **Harris Dawson, Commercial Attache, Bonn.** Sponsor: Commercial Field Office.

CHICAGO—Sept. 28—AID Mid-American Conference, The Conrad Hilton Hotel. Guests: representatives of AID and the U.S. Department of Commerce. Sponsors: REEC, Dept. of Commerce.

CLEVELAND—Sept. 27—Export Workshop, "Problems and Solutions in Exporting," Federal Reserve Bank Bldg. Speakers: Sven Langmack, Empire Plow Co.; Jack Harlow, Union Commerce Bank; **Laurence J. Bendler, Commerce Field Office.** Sponsor: Commerce Field Office.

CLEVELAND—Oct. 5—Businessmen's Consultation, 9:30 a.m., Thomas R. Rudel, member of Trade Mission to Brazil. Sponsor: Commerce Field Office.

CLEVELAND—Oct. 5—Cleveland World Trade Assn. luncheon meeting, Mid-Day Club, 12 noon.

DALLAS—Sept. 25—Businessmen's Consultation, Thomas C. Ballagh, member Trade Mission to Brazil. Sponsors: REEC, Commerce Field Office.

DAYTON, Ohio—Oct. 5—Luncheon meeting, Sheraton Dayton Hotel, 12 noon. Topic: Services of the U.S. Dept. of Commerce. Sponsors: Dayton World Trade Committee, Commerce Field Office.

DETROIT—Sept. 26—Export Marketing Workshop, Room 456, Federal Bldg. Sponsors: REEC, Commerce Field Office.

FORT WORTH—Sept. 26—Businessmen's Consultation, Thomas C. Ballagh, member Trade Mission to Brazil. Sponsors: Fort Worth Chamber of Commerce, Commerce Field Office.

HONOLULU—Oct. 4—Businessmen's Consultation, **Kurt F. Gross, Commercial Officer, Tokyo/to Bangkok.** Sponsor: Commerce Field Office.

JACKSONVILLE, Fla.—Oct. 2—Businessmen's Consultation, **Harris Dawson, Commercial Attache Bonn.** Sponsor: Commerce Field Office.

KANSAS CITY—Sept. 28—In-Office Workshop for New Exporters, Federal Office Bldg. Sponsors: Commerce Field Office, REEC.

LOS ANGELES—Sept. 29—Export Expansion Seminar, **F. Pierce Olson, Commercial Officer, Basel/to Bern,** Commerce Field Office, 9 a.m. Sponsor: Commerce Field Office.

NASHVILLE—Sept. 26—Export Workshop, Nashville Area Chamber of Commerce. Sponsors: Chamber of Commerce, REEC, Commerce Field Office.

NEW YORK—Oct. 4-5—19th Annual Conference on Asia, Waldorf-Astoria Hotel. Speakers: William S. Gaud, AID Administrator; Takeshi Watanabe, president, Asian Development Bank. Sponsor: Far East-American Council of Commerce & Industry.

ST. LOUIS—Sept. 25—Export Trade Seminar, St. Louis Univ., 7 p.m. Sponsors: REEC, St. Louis Univ., World Trade Club, Commerce Field Office.

ST. LOUIS—Sept. 28—Monthly World Trade Club dinner meeting, 6 p.m., Henrici's, Bel-Air West.

ST. LOUIS—Oct. 3—"Show You" Export Workshop, Conference Room, Federal Bldg., 2 p.m. Sponsors: REEC, Commerce Field Office.

SAN FERNANDO, Calif.—Sept. 26—Export Expansion Seminar, San Fernando Chamber of Commerce, 9:30 a.m. Sponsors: Chamber of Commerce, Commerce Field Office.

SAN FRANCISCO—Sept. 27—Businessmen's Consultation, **Kurt F. Gross, Commercial Officer, Tokyo/to Bangkok.** Sponsor: Commerce Field Office.

SAN FRANCISCO—Sept. 28—Patent Cooperation Treaty Conference, Wells Fargo Bank. Speakers: Gerald D. O'Brien, Ass't. Commissioner of Patents; **Vincent D. Travaglini, Director, Foreign Business Practices Div., BIC;** David B. Allen, Acting Director, Office of Int'l Patent & Trademark Affairs. Sponsors: U.S. Patent Office, Commerce Field Office.

SAVANNAH, Ga.—Oct. 4—Businessmen's Consultation, **Harris Dawson, Commercial Attache, Bonn.** Sponsor: Commerce Field Office.

WATERLOO, Ia.—Sept. 28—Export Workshop, Recreation Center, 2 p.m. Sponsors: REEC, Waterloo Chamber of Commerce, Commerce Field Office.

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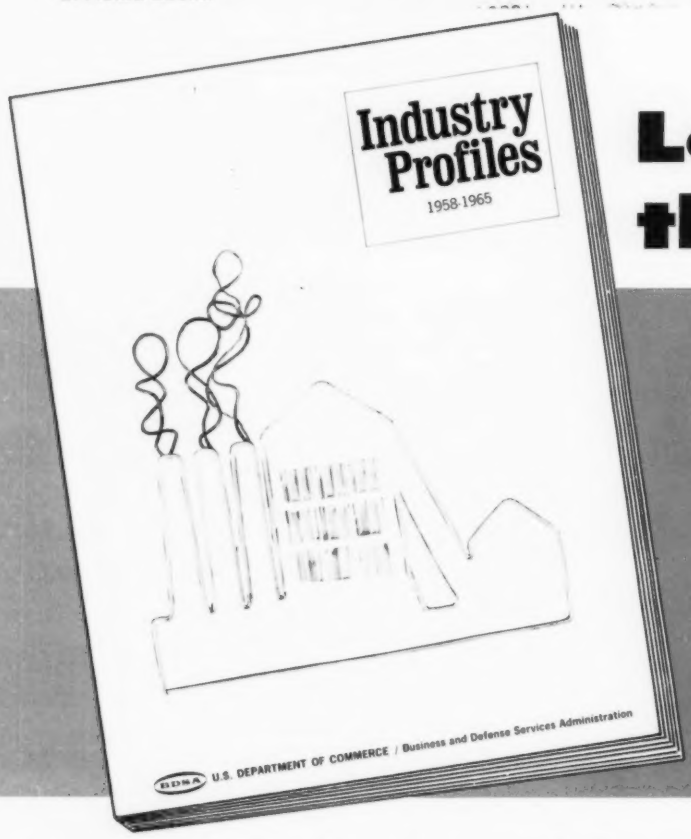

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